**BEFORE THE KANSAS CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of Kansas Power Pool for a Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas for Transmission Rights Only in Cross Service Territory of Southern Pioneer Electric Company and Ninnescah Rural Electric Company.	))))))	Docket No. 18-KPPE-343-COC

CROSS-ANSWERING TESTIMONY OF

H. DAVIS ROONEY
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
SUNFLOWER ELECTRIC POWER CORPORATION

ON BEHALF OF MID-KANSAS ELECTRIC COMPANY, INC.

July 16, 2018

Q: Please state your name.

A. My name is H. Davis Rooney.

Q: Are you the same H. Davis Rooney who filed Direct Testimony in this docket?

A: Yes.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to respond to testimony of Commission Staff witnesses Justin T. Grady and Leo M. Haynos, and in particular, their financial analysis of the transmission project proposed by KPP.

Q: What are the important considerations for the Commission to understand regarding the financial analysis?

A: The following are the key considerations:

- Mr. Haynos asserts at Page 13, Lines 10-15, that although the impact on the public generally is the gold standard, he believes that in this case, the impact on only KPP, and not the public generally, should be considered. This position is implicitly echoed by Mr. Grady as he did not look beyond KPP and its analysis (Grady Page 3 Lines 9-12). This seems contrary to the entire purpose of the Commission to act in the public interest, not just the interest of one applicant.
- In accepting the priority of the interest of the applicant, and not the public in general, Staff willingly accepts projects whose primary benefit is to shift costs to other ratepayers – a developing problem across SPP. Staff willingly accepts a higher cost project, one that bypasses local planning and other stakeholders, over an alternative electrically equivalent, lower cost project,

reviewed in an open, transparent, and coordinated local planning process involving the stakeholders who may be impacted. The local planning process considers the combined area needs (holistic), not just the needs of one entity, and seeks the lowest total costs to the public. The Staff accepts that public utilities, such as municipal energy agencies ("MEA") and municipals, and perhaps coops and independent transmission companies, have no obligation to select the prudent least cost solution, or even involve impacted stakeholders in the discussion, if a higher cost alternative solution maximizes individual entity benefits, even at the expense of the rest of the public.

- Mr. Grady and Mr. Haynos confuse costs and cost allocations and fail to recognize that rate design decisions can create or solve these problems without additional facility costs to the public.
- Mr. Grady and Mr. Haynos discard consideration of KPP's stated ultimate goal[1] to make the captive customers in the local SPP pricing zone pay for this project, as not the KCC's concern, but rather SPP's. Without a supporting decision by the Commission in this TRO docket, those cost implications would not be possible.
- Mr. Grady, by accepting KPP's underlying analysis at face value, repeats many of the same errors KPP made, most of which I address in my Direct Testimony. The largest errors are that Mr. Grady accepted KPP's excess

[1] KPP's response to Mid-Kansas data request #33(b) confirmed that qualifying under the SPP tariff for cost recovery of the line is the ultimate objective of KPP. See, **Exhibit HDR-13**, attached hereto.

Capacity Sale benefit claim and included KPP's avoidance of the LAC as a public benefit. After these errors are corrected, the Kingman Direct Connection clearly has a greater cost to the general public at both Staff's 4.5% and 8% discount levels.

<u>Public Interest</u>

Q: What are the key differences between Staff Witness Justin Grady's testimony and your Direct Testimony?

A: The most important difference is that my testimony focuses on the public in general. Staff's testimony focuses only on the interests of the applicant (KPP). Staff's recommendation is that the Commission not be permitted to consider the public interest of the applicant's proposal, only the interests of the applicant (KPP). Mr. Grady's testimony follows the position of Staff Witness Leo Haynos that the impact on the public is not within the jurisdiction of the Commission, only the interest of the applicant.

Q: Mr. Haynos testifies that, in his opinion, recent amendments to K.S.A. 12-8,111(g) specifically exclude from KCC jurisdiction the ability to consider the concern that, if this application is approved, KPP could later get approval by FERC to roll-up the costs of the Kingman Direct Connection and existing Cunningham-Kingman transmission facilities into SPP rates, and thereby impose KPP's higher costs on the customers captive to the SPP transmission tariff. (Haynos Direct, p. 18.) Do you agree with his position?

A: No. The recent amendment to K.S.A. 12-8,111(g) was not for this purpose or intent.

Q: Do you have any knowledge concerning the circumstances underlying the recent adoption by the Kansas legislature of K.S.A. 12-8,111?

A: Yes. I was involved in assisting Southern Pioneer and Sunflower staff in further refinement of the K.S.A. 12-8,111 in the last legislative session to address concerns raised by the MEAs after the Commission's decision in Docket 18-GIME-217-GIE that MEAs are subject to the jurisdiction of the Commission. This prompted the revision at K.S.A 12-8,111(g) as well as the new language in K.S.A. 12-8,111(a) making it abundantly clear that MEA's are required to obtain a transmission rights only (TRO) certificate of public convenience and necessity when crossing the territory of a retail electric supplier. Subsection (a) directly addresses the KCC's jurisdiction over MEAs, and it reads:

> Section 1. K.S.A. 12-8,111 is hereby amended to read as follows: 12- 8,111. (a) The provisions of K.S.A. 12-885 to *through* 12-8,109, inclusive, and any provisions amendatory or supplemental *amendments* thereto, shall constitute a certificate of public convenience, and any municipal energy agency is authorized to operate as a public utility pursuant to such provisions without obtaining a certificate described in K.S.A. 66-131 or any, *and* amendments thereto, <u>*except a municipal energy agency shall be required to file for a certificate for transmission rights for any electric facilities used to transmit electricity that are constructed in the certificated territory of a retail electric supplier,*</u> *as defined in K.S.A. 66-1,170, and amendments thereto, after the effective date of this section. In determining public convenience and necessity, the state corporation commission shall apply the provisions of K.S.A. 66-1,170 et seq., and amendments thereto, to a municipal energy agency to the same extent it does to a retail electric supplier, as defined in K.S.A. 66-1,170, and amendments thereto*.

Please note the underlined section which was added in this legislative session specifically requiring a MEA to obtain a TRO certificate for facilities used to transmit electricity in the certificated territory of a retail supplier. This is the basis for the application of KPP in this docket. This new language was specifically sought by Southern Pioneer and Sunflower/Mid-Kansas to resolve any question that the Commission had jurisdiction over the issues involved in this Docket, including the impact of a proposed project on transmission rates to the general public, and that a MEA is required to file with the Commission for a TRO certificate. Previously, the statute was silent as to the requirement. Furthermore, new language adopted by the legislature stated the Commission "*… shall apply the provisions of K.S.A. 66-1,170, et seq., and amendments thereto to a municipal energy agency to the same extent it does to a retail supplier, as defined in K.S.A. 66-1,170, and amendments thereto.*" Again, I am not a lawyer, but the plain reading of the language, clearly indicates there is no basis for treatment of an MEA's application any different than the treatment of an application of a retail electric supplier. I am unaware of the Commission failing to apply the broad public interest test to retail suppliers' applications, including the impact a proposed project may have on transmission rates of the general public that may ultimately be included in the SPP transmission rate approved by FERC. In fact, it would be counter intuitive when you consider the purpose of RESA and the six factor test laid out in RESA which states the Commission shall consider whether the certificate will facilitate the public convenience and necessity.[2]

Q: What about Mr. Haynos' assertion that, in his opinion, K.S.A. 12-8,111(g) specifically restricts the KCC's jurisdiction on what it can consider when evaluating a TRO application by an MEA?

[2] K.S.A. 66-1,171(e).

A: Again, his argument is incorrect.

First, it is important to note that Staff fully recognizes the harm posed to western Kansas customers should KPP accomplish this roll-up. Mr. Haynos says,

> If SPP would approve such a request, then KPP would be allowed to recover the costs of the project along with a rate of return on its investment from the SPP local pricing zone *even though the other operators in the pricing zone would have little if any benefit from the KDC.* If this occurred, the socialized cost recovery of the KDC and Kingman transmission line *would have a negative impact on other Kansas transmission operators.* (Haynos Direct, p. 17.)

The Staff's position asserts that the Commission should ignore the reality that it will lose its jurisdiction and ability to protect western Kansas ratepayers from this harm if it approves KPP's application. I am not a lawyer, but I do not see anything in the statute cited by Staff that takes this important authority away from the Commission in this certificate proceeding.

Q: What does 12-8,111(g) say that is more relevant to this docket?

A: K.S.A. 12-8,111(g) says in part:

> (g) Nothing in this section shall be construed to affect the authority of the state corporation commission, as otherwise provided by law, over a municipal energy agency with regard to: "(2) charges, fees or tariffs for transmission services, other than charges, fees or tariffs to its own members or those charges, fees or tariffs for transmission services that are recovered through an open access transmission tariff of a regional transmission organization which has its rates approved by the federal energy regulatory commission; ... (4) wire stringing, transmission line siting and the extension of electric facilities used to transmit electricity pursuant to K.S.A. 66-131, 66-183, 66-1,170 et seq. or 66-1,177 et seq., and amendments thereto.

As you can see, unlike the restriction included for item (2) above, there is no such limitation under item (4) regarding the Commission's right to consider whatever is in the public interest as it pertains to the extension of electric facilities used to transmit electricity.

Q: Do you have any knowledge concerning the circumstances underlying the recent adoption by the Kansas legislature of, specifically, subsection (g) of KSA 12-8,111?

A: Yes. I am aware of the involvement of Sunflower in the last legislative session to address concerns raised by Midwest Energy after a FERC decision put in conflict the jurisdiction of the Kansas Commission and FERC over Midwest Energy's transmission rate. My understanding is that K.S.A. 12-8,111(g) was enacted last legislative session in response to events occurring in KCC Docket No. 16-MDWE-324-TFR, *In the Matter of the Application of Midwest Energy, Inc Seeking Commission Approval to Update Attachment H of its Open Access Transmission Tariff*. ("Midwest TFR Docket"). In that docket, Midwest filed an application with the KCC seeking approval of updates to its formula rate template and implementation protocols and to update the template based on a 2015 test year. On August 25, 2016, the KCC issued its order approving the application, as modified by a settlement agreement among the parties.

On December 1, 2016, SPP submitted to FERC, on Midwest's behalf revisions to SPP's OATT to implement the KCC-approved changes to Midwest's Formula Rate that resulted from the Midwest TFR Docket. FERC staff expressed concerns with some of the revisions approved by the KCC and the case was set for settlement discussions. During those discussions, a settlement was reached that modified the terms previously approved by the KCC. On January 23, 2018, Midwest filed the settlement with the KCC for review, requesting it be approved so that it could be presented to FERC for approval. The KCC approved it by order issued March 6, 2018.

The process just described triggered a request to the legislature for adoption of the language now contained in KSA 12-8,111(g) so that a utility company does not have to obtain KCC approval of charges, fees or tariffs that have already been included in the SPP transmission rate and approved by FERC, thus allowing the company and the KCC to avoid unnecessary expenditure of staff time and resources. That is not the situation involved in this KPP docket.

Again, I am not providing a legal opinion because I am not a lawyer, but I do not see anything in the testimony of Mr. Haynos or the statute he references that changes my opinion that the Commission has the jurisdiction and authority to consider whether approving a certificate application could negatively impact the Commission's jurisdiction in a way that would harm the public interest in Kansas.

Q: Does the KCC usually consider the impact on its jurisdiction of an application under its analysis of the public interest?

A: Yes. For example, the KCC's Merger Standards, factor (d), specifically requires the KCC to consider "whether the proposed transaction will preserve the Commission's jurisdiction and capacity to effectively regulate and audit public utility operations in the state."[3] The KCC has also put heavy emphasis on

[3] Docket No. 18-KCPE-095-MER, Order issued May 24, 2018.

preserving its jurisdiction when evaluating whether to allow a utility company to reorganize its business structure.[4]

The Commission's continuing jurisdiction was also a concern in evaluating the public interest in the application by Grain Belt Express to build a transmission line in Kansas. The Commission listed the elements of the public convenience standard applicable to an application to build transmission in or through Kansas. One of the standards listed specifically stated the Commission will consider "the effect of the S&A on the Commission's jurisdiction to effectively regulate and audit public utility operations and transmission operations, including the effect of the S&A on ongoing authority to regulate, review and oversee the Applicants' transmission operations in Kansas.[5]

Q: How does Staff's erroneous interpretation of KSA 12-8,111 impact Staff's analysis in this docket?

A: Staff admits that its analysis did not consider the negative impact of the application on the KCC's ability to protect western Kansas ratepayers, even though this outcome does affect the public convenience and necessity. (Haynos Direct, pp. 17 – 18.) As such, by Staff's own admission, its analysis is critically incomplete and deficient.

Q: Does the proposed SemCrude Substation Upgrade have the same potential negative impact on the KCC's jurisdiction?

[4] Docket No. 01-KCPE-708-MIS, Order issued August 7, 2001.
[5] Docket No. 11-GBEE-624-COC, Order issued December 7, 2011, p. 22, ¶54; pp. 24-25, ¶¶59-61.

A: No. The KCC's jurisdiction and authority is not compromised under Southern Pioneer's SemCrude Substation Upgrade option.

Q: Do you have any other specific concerns regarding the public interest standard applied by Staff in its analysis?

A: Yes. In evaluating KPP's application, Southern Pioneer and Mid-Kansas relied upon the public interest standards adopted for Kansas in *Central Kansas Power Co.* and *Kansas Gas & Electric Co.*[6] For some reason, Staff ignored the very important guidance provided to us on this matter in the *Kansas Gas & Electric Co.* decision. That decision states, "[i]n determining whether such certificate of convenience should be granted, the public convenience ought to be the Commission's primary concern, the interest of public utility companies already serving the territory secondary, and the desires and solicitations of the applicant a relatively minor consideration." To my knowledge, that standard is still applicable to a certification application, which is why Southern Pioneer and Mid-Kansas' followed it in our Direct Testimony. Staff did not explain why it did not follow this standard.

Q: What does Mr. Haynos say is the proper way to interpret "public convenience and necessity"?

A: At page 13 line 10, Mr. Haynos testifies, "In my view, the evaluation of this abstract concept can be summarized as analyzing the benefits and detriments that a proposed project would have on the public generally."

[6] *Central Kansas Power Co. v. State Corp. Comm'n*, 206 Kan. 670 (1971); *Kansas Gas & Electric Co. v. Public Service Comm'n*, 122 Kan. 462 (1927).

Q: Instead of this proper interpretation, what interpretation does Mr. Haynos actually apply?

A: Continuing on at Page 13 line 12, Mr. Haynos testifies, "In this case, however, the consideration of the concept of "public convenience and necessity" must be kept in context with the fact that KPP is a municipal energy agency. As such, Staff has only considered those issues <u>affecting KPP </u>that are within the Commission's jurisdiction." (emphasis added). Mr. Haynos concludes that the Commission's jurisdiction does not extend to the public interest, only to the interests of KPP. The bulk of his testimony and all of the supporting testimony of Mr. Grady follows this position and considers only the interests of KPP, not the interests of the "public generally."

Q: What are the implications of this position?

A: Mr. Haynos pointed out at page 2 of his testimony that K.S.A 12-8,111(a) requires the Commission to apply the provisions of K.S.A 66-1,170 to municipal energy agencies to the same extent it does to a retail electric supplier. However, by declaring that municipal energy agencies are special and only the issues affecting the applicant can be considered by the Commission, he has rewritten and reversed the provision of the statutes.

Q: Do you have any other specific concerns regarding Staff's public interest analysis?

A: Yes. Mr. Haynos uses the anticipated termination of a wholesale participation power agreement (PPA) between Westar and Mid-Kansas as an example that he asserts is analogous to our present situation with KPP and its proposed Kingman

Direct Connection. The Westar/Mid-Kansas wholesale power contract is about to end because the approximate 12-year term of the contract is nearing. When it ends, the revenue Westar has received from Mid-Kansas under that contract will stop and Westar's remaining customers, unless Westar signs a PPA with another off-taker, will need to make up that revenue loss. There are major differences in the two situations and this analogy is inappropriate.

- Westar has no obligation to serve.
  - There is no obligation to serve a wholesale power supply customer. Power suppliers can sell their excess capacity for a fixed term that matches their expected needs. Power suppliers can even contract to terminate with appropriate notice. This is not the same as the 34.5 kV assets which have been committed to open access. Kingman, a wholesale customer, is entitled to attach at Cunningham and consume all the available delivery capacity at Cunningham. As noted in the Direct Testimony of Randall Magnison, when Southern Pioneer's retail customer, SemCrude, needed additional delivery capacity, there was none available to serve it from Cunningham because of Kingman. Southern Pioneer could not just give notice of termination and kick Kingman off, like some power supply agreements allow. Southern Pioneer was obligated to build an additional substation so that it could continue to serve both SemCrude and Kingman (Kingman from Cunningham, SemCrude from SemCrude Substation). But for the transformer (which was

prudently installed at a lower size and cost given that Ninnescah Electric Cooperative had restricted Southern Pioneer from serving Kingman from the Ninnescah line at the time) the SemCrude Substation was designed to also serve the full needs of Kingman. This is an example of area planning that takes both retail and wholesale customers into account.

- Westar controlled the term of service.
  - Westar had the ability to match its service term to what it projected its resource needs would be and Westar could plan for the expiration of the term of the contract on the fixed date. When there is open access, the transmission-supplying utility does not control the term of service despite the fact that it must continue to plan for the load on a long-term basis.

Q: What are the implications of Staff's position?

A: Staff's position, in fact, undermines the six RESA factors:

- the orderly development of retail electric service is undermined because coordinated, open, transparent local planning is by-passed. Local planning intends to find the least cost solution for all area needs, not just the solution that suits one stakeholder.
- Avoiding wasteful duplication of facilities in undermined, as in this case, where the lowest cost and lowest impact electrically equivalent project is rejected in favor of a duplicate substation and extra miles of line.
- Avoiding unnecessary encumbrance of the landscape, is undermined

because the interest of the applicant leads to two substations existing where one substation is sufficient.

- Preventing the waste of materials and natural resources is undermined as the interest of the applicant leads to $2-3 million dollars more being spent for an electrically equivalent solution than the least cost solution resulting from local planning.
- Facilitating the public convenience and necessity is undermined, just as Mr. Haynos testifies. The proper approach is to analyze the benefits and detriments to the public generally, but instead he has not done this and limited his analysis to the applicant's benefits and detriments.
- Minimizing disputes is undermined, not resolved, as Mr. Haynos supposes. This new standard of "build what is in the applicant's self-interest" will surely invite more duplicative projects being proposed and the ensuing regulatory and legal challenges both at the state level and at the federal level. See the challenges Xcel Energy and SPS are raising in Oklahoma (Rooney Direct Testimony and Exhibit HDR-9 to Rooney Direct Testimony). Although I am not an attorney, this position advocated by Staff seems totally inconsistent with my past understanding of the standard for the issuance of a certificate of convenience which to my knowledge requires the public convenience and necessity be promoted by the transaction. In other words, the consideration for the issuance of a certificate of convenience, regardless of the applicant, is whether it is in the <u>public</u> interest, not the applicant's.

Q: What are the implications to Kansas transmission rates?

A: Clearly, if you allow individual self-interest to prevail in a public utility environment, you invite unwarranted and unnecessary investment resulting in increased costs and rates to the public. Rates will be higher than necessary. Kansas is already struggling to contain rate increases. Staff's position adds to the growing problem.

Q: As it pertains to the financial analysis of Mr. Grady, what are the financial implications of this position?

A: I address Mr. Grady's testimony in more detail below. However, the financial implications of the position taken by Staff in this case on policy and statutory interpretation results in Mr. Grady including as legitimate "savings" of the KDC project the cost shift to other ratepayers of the LADS charge and the billed losses on the LADS. These cost shifts amount to $6.2 million[7]. However, no public costs are being reduced. KPP rates go down. Other customers' rates go up. KPP's more expensive project is allowed to dictate rate design[8] and shift LADS costs and related billed losses from KPP to other customer groups at a higher total cost to the public. It is this cost shift, not a true cost savings, on which KPP depends to justify the more expensive project.

Q: Will the public benefits of the project pay for this project?

A: No. As discussed below, the only identifiable public benefit from the Kingman Direct Connection is Kingman's ability to obtain market energy 100% of the time

[7] LADS cost shift $5.5 million, billed losses cost shift $0.7 million per Mr. Grady workpapers.

[8] If the Commission feels that the cost assignments in current rates are not just and reasonable, it has the authority to change those rates to make them just and reasonable, without incurring unnecessary additional facility costs.

instead of 95% of the time as it currently operates. Mr. Grady identifies the NPV of this benefit (value today of the future generation savings) as being less than $1.4 million. Those savings alone don't justify a $5.0mm or more project. Without the $6.2 million of cost shifts to others, there are insufficient benefits to pay for the $3.0mm of capital project costs and the additional $2.0 million[9] in O&M costs that will be required from the Kingman Direct Connection.

Q: Who will ultimately pay for this project?

A: KPP will surely claim it is paying for this project, and attest that it will borrow the money and pay the contractors. Utilities don't pay for utility facilities, ultimately customers do. If one looks at whose customer rates are going up and whose customer rates are going down, the ratepayers who are really paying for this project can be identified.

Q: Whose rates are going to go up?

A: As discussed in Elena Larson's Direct Testimony and by Mr. Haynos at page 15 of his Direct Testimony, the LADS rate for all of Southern Pioneers retail and wholesale customers (KEPCO, KMEA, wholesale cities) served on the 34.5 kV system will go up by approximately 9%[10] .

Q: Whose rates are going down?

A: Both Mr. Haynos and Mr. Grady acknowledge that the cost shifts will reduce KPP's costs.

[9] The $2.0mm is discussed in my direct testimony using a 6% not 3% O&M rate.
[10] Mr. Haynos uses a number that does not agree with the first year in Mr. Grady's workpapers of $398,171. Additionally, he does not consider the billed losses that will also be shifted onto other customers. The first-year numbers used by Mr. Grady for 2020 are 43% higher and are $464,000 for LADS and loss charges on the LADS.

Q: Would KPP's rates go down without the cost shifts?

A: No. Without the cost shifts, KPP has insufficient benefits to justify the project. The cost shifts are the primary driver for this project.

Q: Besides the LADS charge cost shifts are there other cost shifts to consider?

A: Yes. KPP has stated in its testimony and in its response to data requests[11], that its ultimate goal is to uplift these new facilities as well as its existing facilities to the Mid-Kansas pricing zone so that the cost of the Kingman Direct Connection project is nearly entirely paid for by others. In the end, over $10 million[12] of increased rates will be paid for by customers other than KPP so that $1.4 million of generation savings (the only significant real public savings from the project) over 20 years can be achieved by Kingman.

<u>Necessity</u>

Q: Is Kingman's existing service sufficient?

A.: Yes. As discussed in Dr. Tamimi's testimony. Until 2005, Kingman considered their own generation supply sufficient (reliable) service. While their own generation remained sufficient (reliable) for their service after 2005, they did not consider it to be efficient (economic) any longer because gas prices were high and market prices were lower. The public benefit of lower generation costs exceeded the cost of additional facilities. Therefore, additional service was obtained from Southern Pioneer.

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[11] KPP's response to Mid-Kansas data request #33(b) confirmed that qualifying under the SPP tariff for cost recovery of the line is the ultimate objective of KPP. **Exhibit HDR-13**

[12] 88% of the current LADS plus losses of $5.3mm plus 97% of the $6.0mm PVRR of the Kingman Direct Connection. See attached **Exhibit HDR-18**.

As discussed in Dr. Tamimi's testimony, Kingman's existing generation plus 6 MW from the existing transmission service, remains sufficient (reliable) for the entire planning horizon. It is appropriate to consider both the available generation and the available transmission when determining whether service is sufficient.

Q: Is Kingman's existing service efficient?

A: Yes. The existing service is efficient because it is able to supply 95% of the economic value of access to market energy with the existing facilities. The cost of additional facilities ($5 million KDC) exceeds the public benefit of achieving the other 5% ($1.4 million) access to market energy.

Q: Would the KDC duplicate any existing reliability service?

A: Yes. The reliability added by KDC would duplicate all of the reliability service through the planning horizon at the reliability criteria established by the stakeholders in the local planning process. To assert otherwise is to establish a new reliability criteria for the area without stakeholder input or consideration of the cost to the customers.

Q: Would the KDC duplicate any existing efficiency service?

A: Yes, the existing facilities are able to supply 95% of the access to market energy. The new facilities would duplicate this 95% service that already exists.

Q: Would the KDC supply any new services?

A: Yes. The facilities would be able to supply the additional 5% access to market energy valued at $1.4mm. The facilities are not needed for reliability for the 10-year planning horizon. The facilities would potentially supply reliability beyond the current planning horizon of 10 years. However, so may the existing facilities. The existing facilities have not been studied beyond the 10-year planning horizon.

Q: Are these new facilities necessary?

A: No. KPP desires, but does not need, these facilities for reliability. The local planning has determined that they are not needed for reliability service for the planning horizon.

Q: What is Staff's view of the need for the facilities?

A: I believe Staff has become convinced that the facilities are needed by KPP, not merely desired. However, I do not understand Staff's unstated reliability criteria or how it changes the local planning criteria or the costs to Kansans. Staff's testimony to include the avoidance of the LAC charge in its economic analysis implies that it believes that bypassing Southern Pioneer's existing service is somehow justified; a position they have not made clear in their direct testimony. Since the concept of bypassing must imply duplication of service, I am left to wonder how Staff weighs the building of unnecessary duplicate facilities in the concept of public necessity

<u>Cost vs. Cost Allocation</u>

Q: What is the difference between cost and cost allocation?

A: Costs are investments and costs of owning, operating, and maintaining those investments that go into a cost of service study. Ultimately, some customer pays for the cost of service.

Q: What are cost allocations?

A: In this context, cost allocations among customers are the rates and tariffs that come out of a rate design study that determine who pays for the costs in the cost of service.

Q: Why is this distinction important?

A: It is important because, from a planning perspective, as discussed by Dr. Tamimi, when two or more projects are considered, the project that should be built is the one that will result in the overall least cost to construct and operate. In other words, *how much* is invested in facilities is a planning and engineering question. *Who pays* how much of a facility is ultimately a cost allocation (rates and tariffs) question. If the planning and engineering selects projects that are more expensive than necessary, some customer group will certainly pay more than it needs to, regardless of the cost allocation (rates and tariffs). If less expensive projects are built, there may still be customers who pay more or less, but the total pool of costs will not be larger than needed. Inequities, if significant, can be fixed by changing the cost allocation (rates and tariffs) without incurring more facility costs than necessary to serve the public at the least cost.

Q: Does Staff's position properly consider this distinction?

A: No. Staff's analysis combines the issue of project cost with the cost allocation of project cost. Because Staff's analysis was focused on the interests of KPP, as opposed to the overall public, it resulted in a recommendation of approval for a project that will cost the public $2-3 million more than necessary for an electrically-equivalent solution. The perceived "benefits" that KPP views the Kingman Direct Connection brings to its customers is merely a cost allocation solution for KPP. First is the cost allocation away (shift) from KPP associated with the portion of the Southern Pioneer LADS charges which include the SemCrude Substation that was built solely due to the Kingman load being on the Southern Pioneer system. Second, is the cost allocation away (shift) from KPP associated with uplifting the revenue requirements of the Kingman Direct Connection project itself, a project built for KPP and Kingman's benefit.

Q: Is this recommendation consistent with what the goal should be of a TRO docket?

A: No. I believe the goal of a TRO docket it is to determine if the public necessity will be prudently met when considering the cost of the proposed project to the public. As relates to the proposed KPP project, the public necessity will not be prudently met because the electrically-equivalent SemCrude Substation Upgrade option is millions of dollars less expensive.

<u>Financial Analysis</u>

Q: Do you agree with the financial analysis performed by Mr. Grady?

A: No. But before I address the question more fully, it is important for me to note that I am not being as critical of Staff in my response as I am critical of the application and testimony filed by KPP. Staff should be able to rely upon the accuracy and truthfulness of the information in the applicant's testimony, which is what Staff attempted to do. Unfortunately, the application and testimony had significant errors and critical failures by not disclosing essential and relevant facts that Staff and others should have expected to be disclosed. A prime example is the fact that although KPP included almost $7.5mm dollars in benefits from the 20-year sale of excess capacity, KPP failed to inform the Commission it only has excess capacity through 2022 and not for the full 20 years as portrayed in the KPP financial analysis. That was a significant oversight on the part of KPP in their application and testimony. If there was a reasonable explanation for the inclusion in the analysis, the explanation should have been provided in the testimony which it was not. As a result, by relying on the application and testimony being forthright and starting with KPP's analysis, Mr. Grady inadvertently repeats many of KPP's same errors. These errors are covered in greater detail in my Direct Testimony, but include:

- Staff incorrectly accepted KPP's unsubstantiated claim that KPP has 16 MW of excess capacity it cannot sell today. KPP's available pool of excess capacity is not constrained today, and after 2022, KPP has no excess capacity to sell. Removing KPP's vastly overstated capacity sale benefit further reduces Staff's valuation of benefits by more than half to approximately $3.6 million ($4,359,633 reduction at 8% discount).
- Staff accepted KPP's analysis of the impact on KPP as the appropriate proxy for "public interest". It is not. See above and my Direct Testimony pages 9-12. After removing the LADS cost shift and the billed losses on the LADS charges of $6,242,578, which is not a net benefit to the public in general, the project has a net cost to the public in comparison with the least cost option identified in the local planning process (SemCrude Substation Upgrade).
- Staff, like KPP, considers an inappropriately low discount rate for the low end to its discount rate range and an insufficiently high discount rate for the high end of its range. We both agreed that the SPP discount rate of 8% is one appropriate reference. My direct testimony and the attached exhibits support the 8% discount rate as a low but appropriate

rate for this analysis. KPP has an estimated weighted average costs of capital (WACC)[13] of between 8.36% and 12.12%[14], making the 8% a conservative rate. This is based on KPP's budget target DSC of 1.30[15] and KPP's 3-year average DSC of 1.57[16] as reported in their audited financial statements and their effective interest rate[17].

Q: What value did staff assign to KPP's Capacity Sale?

A: Staff used KPP's annual Capacity Sale values but discounted them at a different discount rate (8% or 4.5% instead of KPP's 2% - as noted above, KPP's estimated WACC is between 8.36% and 12.12%). Staff noted that KPP's price per kW-mo appeared reasonable. However, the KPP-supplied budget attachment to its testimony shows no significant resource changes from 2018 to 2027 (Exhibit LWH-2 page 6). Staff could have easily inferred that KPP's current excess capacity and resources remain unchanged for 10 years, and perhaps beyond, when in fact, KPP has vastly overstated its available excess capacity.

Q: What support do you have that KPP's capacity sale benefit is over stated?

A: KPP's budget attached to Mr. Holloway's direct testimony (Exhibit LWH-2 page 6) shows JEC as a KPP resource from 2018 to 2027. In fact, the budget shows no significant resource changes in the 10-year budget. However, in publicly available documents[18] on KPP's website, KPP reports:

[13] KPP did not supply a WACC in response to Mid-Kansas data request #11 see Exhibit HDR-7 attached to my direct testimony.
[14] See calculations at attached **Exhibit HDR-15**.
[15] See KPP response to Mid-Kansas data request #9 attached as **Exhibit HDR-16**.
[16] See calculations at attached **Exhibit HDR-17**.
[17] See calculations at attached **Exhibit HDR-14**.
[18] See https://www.kpp.agency/investors/continuing-disclosure-reports/3033-continuing-disclosure-report-for-2017/file.

> **Power Purchase Contracts**
>
> The KPP's existing long-term firm power purchase contracts include: (i) contract with Westar Energy for 59 MW of baseload power from the Jeffrey Energy Center, which will terminate January 2023; (ii) a 12.5 MW contract with the Greensburg Wind Farm that expires in 2030; and (iii) a 25 MW contract with the Marshall County Wind Farm that expires in 2036.

Additionally, in response to Mid-Kansas Data Request #28 (attached as **Exhibit HDR-11**), KPP confirms that its Jeffrey Energy Center Contract (JEC) has not been extended beyond 2022. This was further confirmed by KPP's Resource Adequacy Workbook filing with SPP supplied in response to Southern Pioneer Data Request #18, which confirms the loss of 59 MW of coal resource in 2023 resulting in a net capacity deficit position for KPP beginning in 2023 and continuing at least through 2028 (all the reported years) (See Table 1 in Linville Direct Testimony). KPP does not have 20 years of excess capacity. As noted by Mr. Linville, you cannot sell what you do not have. As described in my Direct Testimony, if KPP were to extend its JEC contract or acquire new capacity resulting in excess capacity, it would be appropriate to then deduct the value of the cost of the new capacity acquired from the expected capacity sale value, substantially eliminating the capacity sale value.

Q: Did Staff consider whether KPP's might already be able to sell all of its excess capacity?

A: The testimony of Justin Grady only indicates that he considered the reasonableness of the capacity sale pricing.[19] Staff relied on KPP's representation that without the Kingman Direct Connection, KPP would have 16 MW of excess capacity it could

[19] Grady Direct Testimony Page 17 Lines 19-21.

not sell.

Q: Is KPP's representation correct?

A: No. As discussed in the Direct and Cross Answer Testimony of Corey Linville, KPP does not need the Kingman Direct Connection to sell all of its available excess capacity. The full answer requires understanding the nature of NITS service, the way export limits are calculated differently than import limits on lines, and how KPP has pooled its resources to maximize its market position. The simpler answer is in KPP's response to Mid-Kansas Data Request #26 attached as Exhibit CLW-1 to Mr. Linville's Direct Testimony. In short, KPP has more unconstrained resources available to sell than it has excess capacity and will for the entire 20-year evaluation period. Building the Kingman Direct Connection will not change the amount of excess capacity KPP is able to sell. Therefore, there is no added capacity sale value. This "benefit" should be set at a $0.

Q: How does this change the $8.0 million[20] net benefit identified by Mr. Grady?

A: It reduces Mr. Grady's net benefit by more than half, by approximately $4.4 million, to approximately $3.6 million.

Summary Comparison of Net Benefits for Kingman Direct Connection vs. Southern Pioneer Project

Table 1	2019 Net Present Value of Benefits		
	Kansas Power Pool	City of Kingman	Combined
KPP as filed	$13,701,625[21]	$1,292,015	$14,993,640
Staff at 8%	$7,958,301[22]	$744,892	$8,703,193
Without Capacity Sale at 8%	$3,598,668[23]	$744,892	$4,343,560

[20] Grady Direct Page 18. At the 8% discount level. At the 4.5% discount level it would reduce Mr. Grady's net benefit by $5.9 million.
[21] Grady Direct page 14.
[22] Grady Direct page 14.
[23] Staff's value of $8.0 million less staff's value for the capacity sale of $4.4 million Grady Direct pages 11 and 14.

Q: Do you have additional differences with Staff's analysis?

A: Yes. I have additional adjustments discussed in my direct testimony that would further reduce Staff's KPP net benefit by an additional $6.4 million to convert the KPP net benefit to a proper statement of the public net cost/benefit. This would show the SemCrude Substation Upgrade to be the more prudent project. However, I would like to believe that Staff and Mid-Kansas can agree on the calculations that go into these numbers, at least as far as I have discussed my analysis to this point. I would also like to point out here that the original benefits claimed for KPP in this application were $13.7 million, nearly 4 times the $3.6 million reflected above. I cannot be confident that the combined efforts of Staff and Intervenors have been sufficient to ferret out all the errors in KPP's analysis.[24]

Q: What is the largest of the remaining differences?

A: There is one key difference that amounts to $6.2 million[25] of the $6.4 million[26] – the cost shifts from KPP customers to the public generally. If the Commission believes, as Staff appears to, that over-investing in customer-specific utility facilities for the purpose of avoiding a Commission-approved rate is in the public interest, then it should understand that such action will be a major contributing factor to the rise in transmission rates to the general public because such projects will not only strand existing infrastructure but will be socialized across the general

[24] See KPP response to Mid-Kansas Date Request #36(c) at attached Exhibit HDR-12, where KPP omits from its analysis the $555,000 necessary at the Kingman Sub. It doesn't change the cost comparison between SemCrude and Kingman Direct Connect, but it does increase the cost of both projects to the public.
[25] LADS cost shift $5.5 million, billed losses cost shift $0.7 million per Mr. Grady workpapers.
[26] The other $0.2mm is the net of three other adjustments discussed in my direct testimony, including replacing financing cash flows with capital outlays, increasing the O&M rate to 6%, and basing changes in the electrical losses on a loss study instead of billings.

public by virtue of the SPP allocation process. On the other hand, if the Commission believes that there is value in coordinated, open, transparent local planning that legitimately finds the least cost solutions for the public, it should support the local planning results and reject KPP's application, thereby protecting the public from the costs associated with the unnecessary, costly by-passing of existing utility systems.

Q: How would you show the impact of the Kingman Direct Connection to the public?

A: The following table shows the benefit of the Kingman Direct Connection project in comparison to the SemCrude Substation Upgrade.

Summary Comparison of Net Benefits for Kingman Direct Connection vs. SemCrude Substation Upgrade

Table 2	2019 Net Present Value of Benefits		
	Applicant Combined	Non-KPP Ratepayers	Total Public
KPP as filed	$14,993,640	$(12,916,642)[27]	$2,076,998
Staff at 8%	$8,703,193	$(6,242,578)[28]	$2,460,615
Staff Without Capacity Sale at 8%	$4,343,560	$(6,242,578)	$(1,899,018)

Q: Please explain this table.

A: The first line KPP's as-filed shows the benefits of the Kingman Direct Connection over the SemCrude Substation Upgrade, as viewed by KPP. KPP's conclusion as-filed is that the Kingman Direct Connection is nearly $15 million more favorable <u>to KPP</u> than the SemCrude Substation Upgrade. However, $12.9mm of those

[27] LAC Charges $11.6 million plus Loss Savings $1.3 million, per Grady Direct Testimony page 6.
[28] LAC Charges $5.5 million plus Loss Savings $0.7 million per Grady workpapers.

benefits – LAC Charges and the Loss Savings, are cost shifts to other customers, and the net benefit as-filed by KPP of the Kingman Direct Connection over the SemCrude Substation Upgrade to the public in general is actually $2.1 mm.

The second line is from Staff Witness Grady's direct testimony at an 8% discount rate. It reflects the changes he identified in his review. He concluded the benefits to KPP and Kingman were $8.7mm. At 8% and after adjustments made by Mr. Grady, the value of the cost shifts to others are $6.2 million and the net benefit of the Kingman Direct Connection over the SemCrude Substation Upgrade to the public is $2.5 million.

The third line makes one adjustment to Staff's numbers. It removes the value of the Capacity Sale benefit improperly claimed by KPP and inadvertently overlooked by Staff. I believe that without that improperly claimed Capacity Sale, Staff would have concluded that the SemCrude Substation Upgrade, not the Kingman Direct Connection, had the lower cost to the public, although still a higher cost to KPP. KPP's benefit of $4.3 million from the project is LESS than its cost shift of $6.2 million to other ratepayers. The cost to the public of the Kingman Direct Connection is $1.9 million greater than the SemCrude Substation Upgrade.

Q: If KPP ever was in a situation where it could, for some reason, only sell excess capacity from Kingman, could the SemCrude Substation Upgrade provide that service?

A: Yes. The SemCrude Substation Upgrade and the Kingman Direct Connection are electrically equivalent projects. The issue is in rate design and whether the rates charged for use of the lines are just and reasonable. If they are not just and reasonable, then the least cost option for the public may well be to change the rate design, and implement the costs shifts in a Commission supervised manner rather than building unnecessary and costly facilities that increase the total cost to the public.

Q: Does this conclude your testimony?

A: Yes.

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF Ellis)

H. DAVIS ROONEY, being first duly sworn, deposes and says that he is the H. DAVIS ROONEY referred to in the foregoing document entitled "CROSS-ANSWERING TESTIMONY" before the State Corporation Commission of the State of Kansas and that the statements therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.

H Davis Rooney
H. Davis Rooney

SUBSCRIBED AND SWORN to before me this 16th day of July, 2018.

NOTARY PUBLIC - State of Kansas
Reneé K. Braun
My Appt. Expires 4/30/2022

Reneé K Braun
Notary Public

My Appointment Expires:

Exhibit HDR-11

KANSAS POWER POOL RESPONSE TO MID-KANSAS ELECTRIC COMPANY, INC.
INFORMATION REQUEST #28

Company Name	Kansas Power Pool
Docket Number	18-KPPE-343-COC
Request Date	June 22, 2018
Response Date	June 29, 2018

Please Provide the Following:
Has KPP extended its JEC contract beyond 2022? If so, for how may MW and to what date?

Response:

No.

Submitted By:	Kansas Power Pool
Submitted To:	Mid-Kansas Electric Company, Inc.

Exhibit HDR-12

KANSAS POWER POOL RESPONSE TO MID-KANSAS ELECTRIC COMPANY, INC.
INFORMATION REQUEST #36

Company Name	Kansas Power Pool
Docket Number	18-KPPE-343-COC
Request Date	June 29, 2018
Response Date	July 12, 2018

Please Provide the Following:

In reference to KPP's response to SPEC's DR#43, Exhibit LWH-3, and Appendix B of Exhibit LWH-3:

KPP indicates that it deducted $555,000 from the Olsson Associates estimate of probable costs. The Olsson Associates memo states "It has not been determined if this replacement (of the 7/10 MVA transformer) will be completed at this time or at a later date."

A. Can Kingman import its full forecasted load (per AQ application) of 13.3 MW in 2020 and its load growth to 15.2 MW in 2027 without upgrading this transformer? If yes, please explain.

B. Can Kingman export its full 16 MW of generation without upgrading this transformer? If yes, please explain.

C. Is KPP planning to proceed with the upgrade? If yes, 1) what is the planned upgrade time table; and 2) why did KPP deduct this cost?

D. What power factor will Kingman maintain while importing its maximum projected load?

E. Did KPP study the need for a capacitor bank (or other solution) at Kingman, in addition to the transformer, to support its load growth to 15.2 MW in 2027? Please provide the study, the load at which the capacitor bank became necessary (if needed), and the expected size and cost of the capacitor bank (if needed).

Response:

A. No. See KPP response to MKEC DR 31.

B. Yes. See KPP response to MKEC DR 31.

C. No, this will be a City of Kingman project.

D. Kingman will meet its required power factor.

E. No. Kingman already has a capacitor bank and has needed one for years to compensate for its connection to Southern Pioneer's antiquated, outdated and under-designed 34.5 kV facilities.

Exhibit HDR-13

KANSAS POWER POOL RESPONSE TO MID-KANSAS ELECTRIC COMPANY, INC.
INFORMATION REQUEST #33

Company Name	Kansas Power Pool
Docket Number	18-KPPE-343-COC
Request Date	June 29, 2018
Response Date	July 12, 2018

Please Provide the Following:

A. Would KPP proceed with the Kingman Upgrade project if there was no prospect of qualifying under the SPP tariff for cost recovery?

B. Is qualifying under the SPP tariff for cost recovery of the line the ultimate objective of KPP?

Response:

a. Yes, after Kingman load is removed from the SPEC Cunningham facilities, SPEC will still recover the costs of these facilities from all SPEC 34.5 kV customers.

b. See KPP response to 33.a. Also see the Direct Testimony of Larry Holloway.

Exhibit HDR-14

Calculation of KPP Effective Interest Rate

Effective Interest Rate	Goal Seek NPV to Equal Capital Cost			5.361%
Inputs	**Source**			**Amount**
Capital Cost of Kingman Direct Connect Project				3,021,106
Nominal Interest Rate	Staff DR 8			4.50%
Bond Reserve Fund Requirement	Staff DR 8		10%	347,254
Issuance Costs	Staff DR 8		3%	104,176
Amount Financed	Staff DR 8		100%	3,472,536
Annual Payment	Staff DR 8			$266,955
Bond Reserve Interest Rate	Exhibit LWH-3 p3			2%
NPV at Effective Interest Rate				$3,021,106

*Note: The Bond Reserve equals the Annual Payment at approx 7.6875% yielding an effective interest rate of 5.23%.

Year	KPP Bond Payments	KPP Bond Reserve Returned	KPP Reserve Interest	Annual Net Payment
2020	266,955	0	(6,945)	260,010
2021	266,955	0	(6,945)	260,010
2022	266,955	0	(6,945)	260,010
2023	266,955	0	(6,945)	260,010
2024	266,955	0	(6,945)	260,010
2025	266,955	0	(6,945)	260,010
2026	266,955	0	(6,945)	260,010
2027	266,955	0	(6,945)	260,010
2028	266,955	0	(6,945)	260,010
2029	266,955	0	(6,945)	260,010
2030	266,955	0	(6,945)	260,010
2031	266,955	0	(6,945)	260,010
2032	266,955	0	(6,945)	260,010
2033	266,955	0	(6,945)	260,010
2034	266,955	0	(6,945)	260,010
2035	266,955	0	(6,945)	260,010
2036	266,955	0	(6,945)	260,010
2037	266,955	0	(6,945)	260,010
2038	266,955	0	(6,945)	260,010
2039	266,955	(347,254)	(6,945)	(87,243)

Exhibit HDR-15

Calculation of KPP WACC Range						
				Low DSC	Project DSC	Per Audit DSC
Weighted Avg Cost of Capital		Goal Seek NPV to Equal Capital Cost		8.36%	9.10%	12.12%
Inputs		**Source**	**Add'l Source**	**Amount**	**Amount**	**Amount**
Average Interest Rate		MKEC DR#7		4.16%	4.50%	4.50%
Bond Reserve Fund Requirement		Staff DR 8	LWH Testimony	7.00%	10.00%	10.00%
Issuance Costs		Staff DR 8		3%	3%	3%
NPV at Weighted Average Cost of Capital				$3,021,106	$3,021,106	$3,021,106
Debt Service Coverage Ratio		MKEC DR#9	KPP DSC Tab	1.30	1.30	1.57
	Hardcoded Values Using Low DSC Assumptions					
Year	KPP Bond Payments	Annual Net Payment	Required Net Operating Revenue	Total Return and Asset Recovery	Total Return and Asset Recovery	Total Return and Asset Recovery
2020	250,510	245,811	75,153	320,964	340,097	412,175
2021	250,510	245,811	75,153	320,964	340,097	412,175
2022	250,510	245,811	75,153	320,964	340,097	412,175
2023	250,510	245,811	75,153	320,964	340,097	412,175
2024	250,510	245,811	75,153	320,964	340,097	412,175
2025	250,510	245,811	75,153	320,964	340,097	412,175
2026	250,510	245,811	75,153	320,964	340,097	412,175
2027	250,510	245,811	75,153	320,964	340,097	412,175
2028	250,510	245,811	75,153	320,964	340,097	412,175
2029	250,510	245,811	75,153	320,964	340,097	412,175
2030	250,510	245,811	75,153	320,964	340,097	412,175
2031	250,510	245,811	75,153	320,964	340,097	412,175
2032	250,510	245,811	75,153	320,964	340,097	412,175
2033	250,510	245,811	75,153	320,964	340,097	412,175
2034	250,510	245,811	75,153	320,964	340,097	412,175
2035	250,510	245,811	75,153	320,964	340,097	412,175
2036	250,510	245,811	75,153	320,964	340,097	412,175
2037	250,510	245,811	75,153	320,964	340,097	412,175
2038	250,510	245,811	75,153	320,964	340,097	412,175
2039	250,510	10,836	75,153	85,989	(7,157)	64,921

Exhibit HDR-16

KANSAS POWER POOL RESPONSE TO MID-KANSAS ELECTRIC COMPANY, INC.
INFORMATION REQUEST #9

Company Name	Kansas Power Pool
Docket Number	18-KPPE-343-COC
Request Date	June 20, 2018
Response Date	July 3, 2018

Please Provide the Following:
Does KPP target a range or a particular ROE, DSC, TIER and/or MFI or similar when setting its budgeted rates? If yes, please provide those targets.

Response:
Yes, KPP does have a specific target when setting its budgeted rates. The target is a 1.3 DSCR.

Submitted By:	Kansas Power Pool
Submitted To:	Mid-Kansas Electric Company, Inc.

Exhibit HDR-17

KPP 3-year Average DSC per its Audited Financial Statements

KPP DSC

Use Audited Numbers as most representative

Notes to KPP Audited Financial Statements 2017

Note 6: The bond indentures provide that KPP will fix, establish, maintain and collect such rates, fees and charges for the use of, and services furnished by or through, KPP facilities that will provide in each year net revenues of at least 110% of the maximum required for debt service to be paid by KPP in such year on all revenue bonds at the time outstanding.

From Audited Financial Statements of KPP 2017 and 2015

		2017	2016	2015	2014	3-yr Avg	4-yr Avg
Note 6:	Audited DSC	1.62	1.80	1.28	2.18	1.57	1.72

Exhibit HDR-18

Cost allocation of KPP Kingman Direct Connection Project								
Illustrating LADS Component and the Uplift Component								
Cost/(Benefit)	LADS			KPP PVRR				Total
	LADS Alloc	LADS Realloc	Total	PVRR Costs	DSC Profit	Profit Realloc	Total	Total
Project Costs				5,079,061			5,079,061	5,079,061
LADS	5,265,416		5,265,416	-			-	5,265,416
PVRR Profit/Return					938,084		938,084	938,084
	5,265,416	-	5,265,416	5,079,061	938,084		6,017,146	11,282,562
Mid-Kansas Members	3,324,805		3,324,805	3,319,096	613,025		3,932,121	7,256,927
KEPCo	880,527		880,527	976,017	180,267		1,156,283	2,036,811
KMEA	417,018		417,018	627,685	115,931		743,616	1,160,634
Others	9,895		9,895	19,408	3,585		22,993	32,888
KPP	633,169	(5,265,416)	(4,632,247)	136,856	25,277	$ (938,084)	(775,952)	(5,408,199)
Public Cost	5,265,416	(5,265,416)	-	5,079,061	938,084	(938,084)	5,079,061	5,079,061
Non-KPP	4,632,247	-	4,632,247	4,942,206	912,808	-	5,855,013	10,487,260
	88.0%			97.3%				