

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION OF
MID-KANSAS ELECTRIC COMPANY, LLC FOR
APPROVAL TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICES IN
THE GEOGRAPHIC SERVICE TERRITORY
SERVED BY SOUTHERN PIONEER ELECTRIC
COMPANY

]] KCC Docket No. 13-MKEE-699-RTS
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Received
on

AUG 12 2013

by
State Corporation Commission
of Kansas

DIRECT TESTIMONY OF

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

August 12, 2013

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Andrea C. Crane and my business address is 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,
24 Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania,

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

5
6 **Q. What is your educational background?**

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

10
11 **II. PURPOSE OF TESTIMONY**

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

13 A. On May 17, 2013, Mid-Kansas Electric Company, LLC (“MKEC” or “Company”), filed
14 an Application with the State of Kansas Corporation Commission (“KCC” or
15 “Commission”) seeking an increase in its rates for electric service in the service territory
16 served by Southern Pioneer Electric Company (“Southern Pioneer”). The Application
17 was filed pursuant to K.A.R. 82-1-231(b)(3), which permits a utility to make an
18 abbreviated rate filing within twelve months of a base rate case proceeding.

19 The Columbia Group, Inc. was engaged by the State of Kansas, Citizens’ Utility
20 Ratepayer Board (“CURB”) to review MKEC’s Application and to provide
21 recommendations to the KCC regarding the Company’s requested rate increase.

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

2 **Q. What are your conclusions and recommendations regarding the Company's rate**
3 **filing?**

4 A. Based on my review of the abbreviated rate filing, responses to data requests, and other
5 documentation relating to this case, my conclusions and recommendations are:

6 1. The KCC should approve a rate increase of \$778,565 for MKEC's Southern
7 Pioneer service territory, based on net incremental debt service requirements and
8 associated margins.

9 2. MKEC's allocation of the increase among its various customer classes is
10 appropriate.

11 3. MKEC's proposed rates should be recalculated based upon the billing
12 determinants used in Docket No. 12-MKEE-380-RTS ("380 Docket").
13

14 **IV. DISCUSSION OF THE ISSUES**

15 **A. Background**

16 **Q. Please provide a brief summary of the background of this case.**

17 A. On December 20, 2011, MKEC filed a general rate case for its Southern Pioneer service
18 territory, seeking a rate increase of \$7,992,522. The parties in that case subsequently
19 executed a Settlement Agreement that provided for a revenue increase of \$5,000,000.

20 The Settlement Agreement also contained the following provision:

21 The parties agree that Mid-Kansas may use the Commission's abbreviated
22 rate case procedure of K.A.R. 82-1-231(b)(3) for the limited purpose of
23 seeking recovery of additional debt service costs, including debt coverage,
24 related to debt levels in excess of Southern Pioneer's existing level of debt
25 which is \$90,441,809.¹ No other issues will be litigated in the abbreviated

¹ The \$90,441,809 had been reduced to \$89,022,186 as of December 31, 2012.

1 rate case. As required by K.A.R. 82-1-231, Mid-Kansas agrees to adopt
2 all other regulatory procedures and principals established by the
3 Commission in the Order to be issued in this docket. The parties further
4 agree that a DSC [Debt Service Coverage] ratio of 1.8 shall be used for the
5 purpose of establishing the additional revenue requirement resulting from
6 increased debt service costs and that the calculation shall be made using
7 the definition contained in Southern Pioneer's loan covenants with
8 CoBank and as employed by both Mid-Kansas and CURB in this case...²
9

10 The KCC Order approving the Settlement Agreement in the 380 Docket permitted an
11 abbreviated filing "...for the limited purpose of seeking recovery of additional debt
12 service costs, including debt coverage, related to debt levels in excess of Southern
13 Pioneer's existing level of debt..."³. The Order also required Southern Pioneer to adhere
14 to the findings of the Commission from the 380 Docket with regard to other regulatory
15 procedures and principles. The Order approved the stipulated DSC ratio of 1.8 to
16 establish the additional revenue requirements associated with the incremental debt.
17 Finally, the Order required that "any increase sought in the abbreviated filing be directly
18 related to completion of elements in the Work Plan."⁴ The Company sought
19 reconsideration on this latter point. In its Order on Reconsideration, the Commission
20 restricted recovery to debt service related to expenditures incurred to maintain reasonably
21 sufficient and efficient service⁵.

² Settlement Agreement, p. 3, ¶ 9, Docket No. 12-MKEE-380-RTS.

³ Order Approving Settlement Agreement with Modifications, p. 16, ¶ 27 B. (ii), Docket No. 12-MKEE-380-RTS.

⁴ *Id.*, p. 16, ¶ 27 B. (iii).

⁵ Order on Petition for Reconsideration and Clarification of Mid-Kansas Electric Company, LLC and Staff's Petition for Reconsideration and or Clarification, p. 6, ¶ 9, Docket No. 12-MKEE-380-RTS.

1 **Q. What rate increase is the Company seeking in this abbreviated rate case?**

2 A. The Company is requesting a rate increase of \$780,188, based on \$9 million in additional
3 debt borrowed from CoBank since the last general rate case. The debt service payments
4 on the new CoBank loan total \$433,438 annually. Applying a 1.8 DSC ratio to the new
5 debt service payments results in an additional annual revenue requirement of \$780,188.
6 The Company is proposing to increase its retail distribution rates by an average of 1.3%
7 and to increase its local access charge (“LAC”) rate by 5.6%.⁶

8 The allocation of the additional debt service between rate schedules is detailed on
9 page 5, Table 1, of the Direct Testimony of Nicholas M. Nelson. Mr. Nelson allocates
10 the increase in proportion to each rate schedule’s percentage Base Revenue, or gross
11 revenue less power supply costs, using the same percentages as in the 380 Docket. As
12 seen in Table 2 on page 7 of his Direct Testimony, Mr. Nelson then divides the rate
13 adjustment by 2012 kWh Energy Sales, or billing units, to determine the increase to
14 individual rates.

15

16 **Q. Why are you using a DSC ratio of 1.80 when you recently testified in Docket No. 13-**
17 **MKEE-452-MIS (“452 Docket”) that a ratio of 1.75 was excessive for Southern**
18 **Pioneer?**

19 A. The ratio of 1.80 was specifically agreed upon by the parties to the 380 Docket, including
20 CURB, as the DSC ratio that would be used for the abbreviated rate case. Moreover, it
21 was envisioned that rates resulting from the 380 Docket, and from this abbreviated rate
22 case, would be in place until such time as another general rate case was filed for the
23 Southern Pioneer service territory. In addition, it was envisioned that any future rate

⁶ Direct Testimony of Nicholas Nelson, p. 8, Table 3.

1 filing (other than the abbreviated case that is the subject of this proceeding) for Southern
2 Pioneer would involve a general base rate case and a full rate review by all parties. The
3 formula rate plan that is the subject of the 452 Docket provides for annual rate increases
4 based on a protocol that includes a very limited review and that greatly limits the ability
5 of parties to raise issues of concern. Therefore, it is appropriate to utilize different DSC
6 ratios in each case, since the risks to the Company and its ratepayers are significantly
7 different depending upon the regulatory mechanism employed.

8
9 **B. Revenue Requirement Increase**

10 **Q. Has the Company incurred incremental debt since the Order in the 380 Docket?**

11 A. Yes, it has. On December 19, 2012, Southern Pioneer issued \$9 million in additional
12 long-term debt to CoBank at an interest rate of 4.75%. According to the Direct
13 Testimony of Chantry C. Scott, the Company financed almost \$10 million of capital
14 improvements in 2012, including equipment related to the Automated Meter Information
15 (“AMI”) program, substation equipment, pole replacements, transformers, increases to
16 line capacity, secondary replacements, security lighting, other equipment and vehicles.

17
18 **Q. Are you recommending any adjustment to the Company’s requested revenue
19 increase of \$780,188?**

20 A. I am recommending one minor adjustment. The Company’s claim is based on debt
21 service associated with the new CoBank loan of \$9 million. However, the Company did
22 not consider the impact of changes in debt service relating to its existing loans. Current
23 rates include debt service of \$6,391,140 associated with the three loan issuances that

1 were outstanding when the 380 Docket Settlement Agreement was executed. The debt
 2 service included in the 380 Docket was based upon total outstanding debt of \$90,441,809,
 3 as stated in the Settlement Agreement in that case. Since the Settlement Agreement was
 4 executed, the Company has retired some of this prior debt. According to the testimony
 5 of Mr. Scott at page 6, only \$89,022,186 of this debt was outstanding at December 31,
 6 2012. Therefore, in order to determine the net impact of the new loan on debt service, we
 7 examined the total debt service requirements in 2013 relative to total debt service
 8 included in the 380 Docket. As shown below, the debt service on the pre-existing debt
 9 declined slightly since the 380 Docket was executed. This decline should be considered
 10 when calculating the incremental debt service in this case, as shown below:

11

Issuance	380 Docket⁷	2013
RX0435T1A	\$640,593	\$640,418
RX0435T2	\$1,423,651	\$1,423,478
RX0435T4	\$4,326,895	\$4,326,343
Total Pre Existing Debt	\$6,391,140	\$6,390,238
New Issuance		\$433,438
Total Debt Service		\$6,823,676

12

13 Since debt service on the pre-existing debt has declined slightly, the net incremental debt
 14 service is slightly less than the \$433,438 claimed by the Company. The net increase in
 15 debt service since the 380 Docket is \$432,536 (\$6,823,676 - \$6,391,140). Given the DSC
 16 ratio of 1.80 agreed to in the 380 Docket Settlement Agreement, I recommend a revenue
 17 increase of \$778,565, a reduction of \$1,623 from the amount proposed by the Company.

⁷ Staff Response to CURB-11.

1 use a demand allocator so the Company is proposing to establish that rate based on 2012
2 demand. The lighting class uses a fixed monthly charge. The Company is proposing to
3 apply a straight percentage increase to lighting rates.

4
5 **Q. Do you agree with the billing determinants proposed by the Company?**

6 A. No, I do not. I am opposed to the use of the 2012 billing determinants for two reasons.
7 First, as stated above, the abbreviated rate filing was approved “for the limited purpose of
8 seeking recovery of additional debt service costs, including debt coverage, related to debt
9 levels in excess of Southern Pioneer’s existing level of debt....”⁸ The abbreviated case
10 was not intended as a mechanism to update the Company’s billing determinants. In fact,
11 the Settlement Agreement in the 380 Docket specifically indicated that “No other issues
12 will be litigated in the abbreviated rate case.”⁹ Therefore, this abbreviated rate filing
13 should be limited to determining the revenue requirement associated with the incremental
14 debt service costs and related coverage. All other aspects of the findings in the 380
15 Docket should remain unchanged, including the billing determinants used to set rates in
16 that case.

17 Second, use of 2012 billing determinants for the incremental increase will result
18 in a mismatch between the units used to derive the increase and the units used to derive
19 the underlying base rates. This is because a portion of the rate would be based on the
20 billing determinants from the 380 Docket and a portion of the rate would be based on the
21 2012 billing determinants. Given this mismatch, and the fact that the abbreviated case is
22 intended to be limited to changes associated with debt service on the new debt issuance, I

⁸ Order Approving Settlement Agreement with Modifications, p. 8, ¶ 15, Docket No. 12-MKEE-380-RTS.

⁹ *Id.*, p. 8, ¶ 15.

1 recommend that new rates resulting from this case be based on the underlying billing
2 determinants approved in the 380 Docket. In Schedule ACC-2, I have updated the
3 Company's schedule to calculate the unit rate increases, based on the billing determinants
4 from the 380 Docket and my recommended revenue increase of \$778,565.

5

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

7 **A. Yes, it does.**

1 **C. Class Cost of Service Allocations**

2 **Q. How does the Company propose to allocate the revenue increase?**

3 A. The Company is proposing to allocate the revenue increase to each rate class based on
4 each rate class's Base Revenue. On page 4 of his Direct Testimony, Mr. Nelson defines
5 Base Revenue as gross revenue less power supply costs. As further explained by Mr.
6 Nelson, he utilized the gross revenues reflected in the Commission's 380 Docket Order
7 and the power supply costs contained in Mr. Macke's 380 Docket Rebuttal Testimony to
8 derive the Base Revenue for each class.

9
10 **Q. Are you recommending any adjustment to the allocation of the proposed revenue
11 increase?**

12 A. No, I am not. Since I am recommending a slightly different revenue increase, the
13 amounts allocated to each class would be slightly different than those reflected in Mr.
14 Nelson's testimony. However, I have no objection to the allocation methodology that he
15 proposes. In Schedule ACC-1, I have updated the Company's schedule to reflect the
16 allocation to each class using my recommended revenue increase of \$778,565.

17
18 **D. Billing Determinants**

19 **Q. What billing determinants is the Company proposing to utilize to determine
20 individual rates for each rate class?**

21 A. As stated on 6 of Mr. Nelson's Direct Testimony, he is proposing to utilize 2012 billing
22 determinants. Most of the customer classes utilize an energy rate so the revenue
23 requirement for those classes would be based on 2012 energy sales. The LAC charges

VERIFICATION

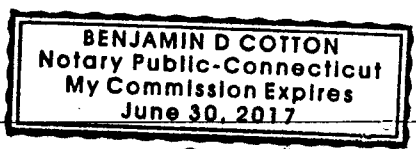
STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD) ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing testimony, and that the statements made herein are true to the best of her knowledge, information and belief

Andrea C. Crane
Andrea C. Crane

Subscribed and sworn before me this 8th day of August, 2013.

Notary Public _____



Benjamin D Cotton

My Commission Expires: June 30, 2017

APPENDIX A
LIST OF PRIOR TESTIMONIES

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>
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
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.	W/WW	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

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
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
Artesian Water Company	W	Delaware	11-207	9/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
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

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>
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	13-MKKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKKEE-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

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>
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
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
Pawtucket Water Supply Board	W	Rhode Island	3945	7/08	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey American Water Co.	W/WW	New Jersey	WR08010020	7/08	Consolidated Income Taxes	Division of Rate Counsel
New Jersey Natural Gas Company	G	New Jersey	GR07110889	5/08	Revenue Requirements	Division of Rate Counsel
Kansas Electric Power Cooperative, Inc.	E	Kansas	08-KEPE-597-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	EX02060363 EA02060366	5/08	Deferred Balances Audit	Division of Rate Counsel
Cablevision Systems Corporation	C	New Jersey	CR07110894, et al..	5/08	Forms 1240 and 1205	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	08-MDWE-594-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

APPENDIX B
SUPPORTING SCHEDULES

**Proportional Allocation of Abbreviated Filing Rate Adjustment to Rate Classes
Based on Base Revenue by Rate Schedule**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Per Docket 380 Cost of Service and Settlement					Allocation of Rate Adjustment			
Line No.	Rate Schedule	Gross Revenue Settlement Rates	Allocated Power Supply Cost of Service	Base Revenue	Percent	Rate Adjustment	Base Revenue	Percent
		(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
1	Residential Service (12-RS)							
2	General Use	15,466,839	8,201,386	7,265,453	39.9%	310,349	7,575,802	39.9%
3	Space Heating	962,557	543,365	419,192	2.3%	17,906	437,098	2.3%
4	General Service Small (12-GSS)	1,954,373	1,035,164	919,209	5.0%	39,265	958,474	5.0%
5	General Service Large (12-GSL)	14,962,201	9,086,483	5,875,718	32.2%	250,986	6,126,704	32.2%
6	General Service Space Heating	546,294	358,139	188,155	1.0%	8,037	196,192	1.0%
7	Industrial Service (12-IS)	1,984,784	1,280,249	704,535	3.9%	30,095	734,630	3.9%
8	Industrial Service-Primary Discount			-	0.0%	-	-	0.0%
9	Real -Time Pricing (RTP)	82,550	82,550	-	0.0%	-	-	0.0%
10	Transmission Level Service (12-STR)	24,515,362	23,809,675	705,687	3.9%	30,144	735,831	3.9%
11	Municipal Power Service (12-M-I)	211,942	119,821	92,121	0.5%	3,935	96,056	0.5%
12	Water Pumping Service (12-WP)	611,125	367,776	243,349	1.3%	10,395	253,744	1.3%
13	Irrigation Service (12-IP-I)	200,995	111,907	89,088	0.5%	3,805	92,894	0.5%
14	Temporary Service (12-CS)	8,700	3,769	4,931	0.0%	211	5,142	0.0%
15	Lighting	947,775	287,875	659,900	3.6%	28,188	688,088	3.6%
16	Total Retail Rates	62,455,499	45,288,159	17,167,339	94.2%	733,315	17,900,655	94.2%
17								
18	Third Party LAC (12-LAC)	1,059,317	-	1,059,317	5.8%	45,250	1,104,566	5.8%
19								
20	Total All Rates	63,514,816	45,288,159	18,226,656	100.0%	778,565	19,005,221	100.0%

Calculation of Rate Adjustment by Rate Schedule Component

(a)	(b)	(c)	(d)	(e)
Line No.	Rate Schedule	Rate Adjustment	Billing Units	Rate Adjustment
1	Residential Service (12-RS)			
2	General Use	\$ 310,349	120,801,641 kWh	\$0.00257/kWh
3	Space Heating	\$ 17,906	8,021,288 kWh	\$0.00223/kWh
4	General Service Small (12-GSS)	\$ 39,265	14,998,858 kWh	\$0.00262/kWh
5	General Service Large (12-GSL)	\$ 250,986	128,480,653 kWh	\$0.00195/kWh
6	General Service Space Heating	\$ 8,037	5,524,622 kWh	\$0.00145/kWh
7	Industrial Service (12-IS)	\$ 30,095	19,296,669 kWh	\$0.00156/kWh
8	Industrial Service-Primary Discount	\$ -	-	
9	Real -Time Pricing (RTP)	\$ -	1,331,218 kWh	\$0.00000/kWh
10	Transmission Level Service (12-STR)	\$ 30,144	388,276,102 kWh	\$0.00008/kWh
11	Municipal Power Service (12-M-I)	\$ 3,935	1,750,898 kWh	\$0.00225/kWh
12	Water Pumping Service (12-WP)	\$ 10,395	5,596,107 kWh	\$0.00186/kWh
13	Irrigation Service (12-IP-I)	\$ 3,805	1,618,606 kWh	\$0.00235/kWh
14	Temporary Service (12-CS)	\$ 211	40,022 kWh	\$0.00526/kWh
15	Lighting	\$ 28,188	4,978 lights	\$0.47/light/mo
16	Total Retail Rates	\$ 733,315		
17				
18	Third Party LAC (12-LAC)	\$ 45,250	330,623 kW	\$0.14/kW
19				
20	Total All Rates	\$ 778,565		

APPENDIX C
REFERENCED DATA REQUEST
CURB-11

Data Request to Kansas Corporation Commission Staff
From the Citizens' Utility Ratepayer Board
KCC Docket No. 13-MKEE-699-RTS

CURB-11. How much was included for debt service in the revenue requirement approved in Docket No. 12-MKEE-380-RTS? Please include all supporting documentation, workpapers and calculations with your response.

Staff Response: From Staff's perspective there is \$6,391,125 of Debt Service in the Revenue Requirement approved by the Commission in the 12-380 Docket. This is the amount of Principle (\$1,439,536) and Interest (\$4,951,589) that was included in Staff's revised revenue requirement calculation of \$4,872,229, as provided on Pg. 8 of Staff Witness Laura Bowman's testimony in Support of Stipulation and Agreement, filed on May 21, 2012. These amounts represent principle and interest amounts from April 2012 to March 2013, on all three outstanding tranches of debt held by Southern Pioneer at the time. Additionally, please see attached excel workpaper for support.

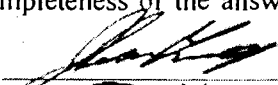
Submitted By: David Springe

Submitted To: Judy Jenkins

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

VERIFICATION OF RESPONSE

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

Signed: 

Name: JUSTIN GRAY

Position: Chief of Acct- + Financial ANALYSIS

Dated: 7/10/13

Southern Pioneer Electric Company
 Test Year Ended December 31, 2010

Docket No. 12-MKEE-380-RTS

Line No.	Month	T-1 Principle	T-2 Principle	T-3 Principle	Total	T-1 Interest	T-2 Interest	T-3 Interest	Total
1	Apr-12	19,409	24,468	73,045	116,922	34,626	95,977	293,045	423,648
2	May-12	19,516	24,577	73,372	117,466	33,404	92,774	283,272	409,450
3	Jun-12	19,625	24,687	73,700	118,012	34,403	95,751	292,380	422,535
4	Jul-12	19,734	24,798	74,030	118,562	33,187	92,555	282,616	408,358
5	Aug-12	19,843	24,909	74,361	119,113	34,178	95,523	291,688	421,389
6	Sep-12	19,953	25,020	74,694	119,668	34,065	95,408	291,345	420,818
7	Oct-12	20,064	25,132	75,028	120,225	32,858	92,221	281,621	406,699
8	Nov-12	20,175	25,245	75,364	120,784	33,836	95,177	290,677	419,690
9	Dec-12	20,287	25,358	75,701	121,346	32,635	91,996	280,949	405,581
10	Jan-13	20,400	25,471	76,040	121,911	33,605	94,943	289,958	418,506
11	Feb-13	20,513	25,585	76,380	122,479	33,488	94,826	289,619	417,933
12	Mar-13	20,627	25,700	76,722	123,049	30,148	85,550	261,284	376,982
		240,146	300,951	898,440	1,439,536	400,433	1,122,701	3,428,455	4,951,589

Source: Southern Pioneer's Response to Staff Data Request No. 78, 113

CERTIFICATE OF SERVICE

13-MKEE-699-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 12th day of August, 2013, to the following parties who have waived receipt of follow-up hard copies:

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