



CURBside News

NEWS FROM THE WATCHDOG FOR RESIDENTIAL AND SMALL COMMERCIAL CONSUMERS OF UTILITIES SEPT. 2009

Large-scale transmission projects gain approval from KCC

KCC approves KETA transmission line siting

On July 14, 2009, the KCC issued an order granting a siting permit to ITC Great Plains for a 345kV transmission line to be built from Spearville to near Hays. The project is the first phase of a two-step plan to build what is commonly referred to as the KETA project. The second phase will continue the line north to somewhere in the vicinity of Axtell, Nebraska.

This project was originally proposed by the Kansas Electric Transmission Authority. ITC was the only company that came forward to show interest in building it. The line would be built through the certified territory of Sunflower Electric Power, but Sunflower has announced its intention to assign ITC the job of building the line.

This 89-mile project has been described as the Kansas section of a "backbone" of high-voltage transmission that would run north from the Texas panhandle up to the Dakotas through the high plains. The northern terminal point of the Kansas line has not yet been

determined, because Nebraska has not yet completed the planning process for its portion of the line.

Under the applicable statute, the Commission only considered whether the line was needed to serve customers and whether ITC's chosen route was reasonable. A few landowners to be affected by the line requested alternate routes, but the final approved route varied only slightly from ITC's original plan. There was little question that the line is needed; it has been consistently identified by the Southwest Power Pool as a necessary component of an upgraded regional transmission grid that would help move wind power from the high plains to load centers where it can be sold.

Shortly after the order was issued, Sunflower Electric Power received a notice to construct the line from SPP; it plans to notify SPP that ITC has been designated to build the project.

The question that remains is whether ITC will begin construction before SPP has

(See KETA line, at page 4)

Spearville-Wichita project is certificated

After an evidentiary hearing on July 24, the KCC deliberated less than three minutes before approving the settlement between ITC Great Plains and Prairie Wind Transmission that will split the Spearville-to-Wichita high-voltage transmission project between the two companies.

In April 2008, ITC applied for a certificate from the KCC to build the project, which the Southwest Power Pool has suggested may become part of a system-wide series of upgrades to the SPP transmission grid that will be required to facilitate large-scale development of wind power in the high plains region.

Prairie Wind, a partnership between Westar Energy and AEP, stepped in about six weeks later and filed a competing application for a certificate to build its own version of the project. Both companies want to build the line at 765kV, but only ITC has explicitly stated that it will go

(See Deal Split, at page 3)

Small victories: CURB wins favorable rulings in tariff dockets

CURB pleased with KCPL weatherization tariff revisions

In April, KCPL requested modifications to its Low Income Weatherization Tariff. Some of the minor revisions were simply intended to repair some glitches in the language.

However, CURB was alarmed by KCPL's additional proposal to divert low income program funds to weatherization agencies for equipment, training and workers needed to "ramp-up" to prepare for the influx of federal funds for weatherization programs under the American Recovery and Reinvestment Act.

CURB filed comments objecting to this provision, noting that the targeted agencies had already been provided funds for ramping up under the Act, that additional workforce training was already being provided by the Kansas Housing Resources Corporation, and that the agencies also could use Department of Energy funding to buy necessary equipment.

Fortunately, KCPL agreed to withdraw this proposal in response to CURB's concerns. The Commission approved the minor language provisions for the tariff and accepted KCPL's withdrawal of the proposed diversion of funds, so CURB was satisfied with the outcome.

KCC Docket No. 09-KCPL-828-TAR

CURB negotiates favorable ECRR terms with Westar

CURB has successfully negotiated favorable terms for consumers in revisions of Westar Energy's Environmental Cost Recovery Rider, or ECRR surcharge.

On May 29, 2009, the KCC approved Westar's application to recover almost \$34 million from customers through the ECRR. This surcharge is a separate line item on customer bills that provides Westar recovery between rate cases of its capital expenditures for environmental upgrades to its plants.

Millions of dollars are now being recovered annually through the ECRR, but ECRR applications are made under an expedited procedure that does not allow other parties time to thoroughly review the data, or give customers notice of the proposed increases.

CURB sought revisions to the procedure that would give earlier and more comprehensive access to information about Westar's environmental expenses throughout the year, and that would also provide customers notice of upcoming increases in the ECRR.

The Commission, in approving Westar's application, also ordered Westar and the Commission Staff to collaborate on improving CURB's access to

data and explore ways of providing notice to customers.

Westar, Staff and CURB were able to reach a consensus on terms favorable to CURB. In a joint proposal filed with the KCC on July 20, they proposed that the KCC open a continuous docket in which Westar's annual ECRR applications would be filed. When the docket is initially opened, the KCC would issue a protective order (to protect the confidentiality of Westar's confidential filings) and a discovery order, which would permit CURB and other parties to investigate the data supporting the company's filings.

Up to now, Westar supplied required reports and data throughout the year to the Commission Staff; under the joint proposal, CURB would be allowed access to the same data throughout the year. This will enable CURB to scrutinize the data as it comes in, and make inquiries as necessary.

More importantly, customers up to now have only found out about increases in the ECRR when they appeared on their bills. Under the joint proposal, Westar will be required to provide notice of the proposed increase in customer bills during the first billing cycle following Westar's annual application. The company will also provide an estimate of the probable impact on a typical residential bill, and contact information for customers who

have questions about the proposed increase. The notice will provide the due date for the KCC order on the application, and the date the increase, if granted, will take effect. These provisions will allow customers to anticipate and budget for increases a few months in advance.

While CURB has been an opponent of line-item surcharges like the ECRR since they first began sprouting like weeds on customer bills, we appreciated the willingness of the Commission to listen to our concerns, and appreciated the efforts of Westar and Staff to work with CURB on providing more timely access to data and providing notice to customers of proposed increases.

The Commission approved our joint proposal on August 21, 2009. The notice provisions will be effective with the company's next ECRR application, and the continuing docket will be opened soon for all future ECRR filings of Westar.

KCC Docket No. 09-WSEE-737-TAR

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Deal Split

(Continued from page 1)

forward with the project if the Southwest Power Pool determines that the line should be built at 345kV instead.

Rather than attempt to design a process that would force the companies to compete for approval to build the project, the Commission instead opted to urge the companies to settle. A KCC Staff attorney was dispatched to the mediation sessions between ITC and Prairie Wind, and the result was predictable. Prairie Wind and ITC agreed to split the project, each building roughly half of the route.

CURB was the only participant in the case who did not support the settlement. Kansas was in a unique situation: this was the first time in modern regulatory history that competing transmission companies were facing off over the right to build the same line. We believed—and still do—that the settlement deprived Kansas of a great opportunity to reap the results of the fortuitous circumstances of having two companies competing to build the project. Instead, we ended up with two companies splitting the baby. Their shareholders will reap at least 12% to 20% profits on the project, thanks to FERC's generous incentives to companies who build new transmission lines.

In over a year of the wrangling over this project, the KCC Staff came up with no proposals for a new competitive

procedure, other than suggesting that perhaps the Commission should consider developing a process in the future for determining how to choose the winner among competing proposals.

CURB supports building transmission necessary for expanding renewable energy generation. However, cost matters. We want to be sure that ratepayers' hard-earned dollars are well spent, especially in this lagging economy. While it's clear there will be benefits for consumers from a better transmission grid in Kansas, we don't think they would be forced to pay profit levels of 20% if companies had to actually compete for the opportunity to build the lines.

At CURB, we view this docket as the poster child for what is wrong with regulation today. Instead of capitalizing on the benefits of competition, the focus was on appeasing the companies. Rather than facing up to the challenge of finding ways to cap the costs and seek potential savings for consumers in building this multi-million dollar project, the choice was to give this case less than 3 minutes of deliberation. The ratepayers deserved more.

We can only hope that the KCC develops a procedure soon for deciding between competing proposals in future dockets, so that we can all benefit from the competition to build billions of dollars' worth of new transmission projects in Kansas.

*KCC Docket Nos. 08-ITCE-936-COC
& 08-PWTE-1022-COC*

KETA line

(Continued from page 1)

determined whether the project will be regionally funded by all SPP members or whether Kansas ratepayers will foot most of the bill.

Although most of the Kansas stakeholders are confident that some sort of regional funding will be established for high-voltage upgrades in Kansas to SPP's grid, the process of sorting out all the details of who will pay, and how much, is excruciatingly slow and exceedingly contentious. Particularly, SPP members in the areas that do not expect to benefit much from wind development aren't convinced that they want to help pay for lines that will enable other states like Kansas to encourage wind development.

Until the SPP membership comes to a consensus on what the total cost is likely to be for the proposed regional projects, and who will pay and how much, it's unlikely that any company will commence building major transmission projects under the guise of regional development.

KCC Docket No. 09-ITCE-729-MIS

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Farewell to Gene Merry and Randy Brown

While the CURB staff always welcomes new faces to the board, it's also tough to say goodbye to the outgoing members—especially when they've been around longer than any of us who work for CURB.



Randy Brown

We thank both of our outgoing board members for their service to the ratepayers of Kansas. We wish the best of luck to Randy Brown of Wichita, who has served on the board for four years. His expertise in open meetings law and commitment to the principles of open government melded well with CURB's core principles. We all admired his tenacity in getting back to work so quickly after a serious motorcycle accident a couple of years ago. His enthusiasm and wry humor will be missed by all of us.

And we bid a special farewell to Gene Merry, who has served on the board since November 1995. (Only Bill Dirks has served longer). Gene has burned a lot of miles on the highway between Burlington and Topeka in almost fourteen years of attending CURB board meetings. We don't have

Gene Merry



enough room here to list all the organizations to which Gene devotes much of his life, but suffice it to say that it's a long list. Gene believes in public service, and the public has been served well by his efforts. We will miss Gene's expertise in energy matters, his wise counsel in times of crisis, and his firm but quiet leadership. We wish him the best of luck as he moves on.

Randy and Gene: thank you on behalf of the CURB staff, and on behalf of the ratepayers you have served so well.

Citizens' Utility Ratepayer Board

Next meeting:

**September 2, 2009
10:00 a.m.**

Location:

**KCC Building
CURB Conference Room
First floor
1500 SW Arrowhead Road
Topeka, Kansas 66604**

**Welcome new
CURB members
Stephanie Kelton and
Nancy Jackson**

Governor Mark Parkinson has appointed two new members to the Citizens' Utility Ratepayer Board to replace outgoing members Gene Merry and Randy Brown.



Stephanie Kelton, of Lawrence, was appointed to represent the Second Congressional district. She is an Associate Professor in economics at the University of Missouri-Kansas City, and is a Research Scholar at the Levy Economics Institute (NY). She has served on numerous professional and charitable boards and councils, and is a current director on the board of the Center for Neighborhood Research and Investment.

Ms. Kelton holds dual bachelor degrees in economics and in business administration from California State University, a master's degree in economics from Cambridge University (UK), and a Ph.D. in Economics from the New School for Social Research. She has published dozens of professional articles and is considered an expert in the areas of public finance, financial accounting and

international finance. She is listed in Who's Who in the World, and was the recipient of a Rotary International Scholarship to study at Cambridge.

Ms. Kelton's husband, Paul, is a professor of history at the University of Kansas. They have two daughters and one son. She is serving a four-year term that will expire August 14, 2013.



Nancy Jackson was appointed as the at-large member of the Citizens' Utility Ratepayer Board. She is the Executive Director of the Climate & Energy Project, a program of the Land Institute. Ms. Jackson oversees CEP's key programs, which include the Blue Green Alliance, Interfaith Power & Light, and the Take Charge Challenge. She also serves on the Kansas Wind Working Group, the Kansas Energy and Environmental Policy advisory group, and the Midwestern Governors Association's Low Carbon Fuel Standard advisory group.

Ms. Jackson holds two degrees from the University of Kansas: a bachelor's degree in Humanities and a Master's degree with honors in environmental history. She previously worked in scholarly publishing, corporate finance, equities research and development.

A resident of rural Eudora, Ms. Jackson lives in the Kansas River bottom with her husband and two daughters. Her four-year term will expire August 14, 2013. ♦

**CURBside
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you by the Staff
of CURB:**

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Consumer Counsel's CORNER

The question of whether Westar Energy should consolidate its north and south rate structures into a single set of rates has been keeping a lot of folks busy all summer. By August 17, the parties' positions had been filed, the KCC had held several public hearings, and the parties spent the day presenting testimony and cross examining witnesses at an evidentiary hearing at the Kansas Corporation Commission. It was a long, tiring first day of trial, and there was a day-and-a-half of testimony left to go.

Then, those who watched the evening news in Topeka after that first day of hearings got a bit of a shock.

A news feature on WIBW television in Topeka discussing the Westar consolidation hearing began with the Director of Communications and spokesperson for the Commission, who said, "We really do feel like it's fair at this point in time that everybody pays the same rates because everybody's getting the same power."

The video ended with another quote from the spokesperson: "Energy distributed by Westar is distributed to all customers according to the cheapest cost. It's not divided any longer between the North and the South, and therefore it

makes sense to have one single rate charged to all customers."

What?

From a public agency that is similar to a court, that must hear all the facts before making a decision, that must give all parties the due process of law, these comments on the first day of the trial leave the unfortunate appearance that a decision has already been made—that the evidentiary hearing is a mere formality.

One presumes, or at least hopes, that this was a simple misstatement by the KCC spokesperson—an errant turn of phrase, so to speak. The idea that there might be insight behind these statements, insight that would have to be gleaned from KCC discussions outside of the public eye would be troubling at best, and illegal at worst. The public can have no faith in a KCC decision if it has no faith that its concerns are heard and considered by the KCC before it renders a decision.

Or maybe the spokesperson was speaking on behalf of the technical staff of the KCC, which supports rate consolidation in this case. Unfortunately, on the evening news, this distinction was not made, nor would the general public probably understand the difference between the KCC technical staff and the three KCC Commissioners in their roles as judges.

The KCC does have an obligation to provide factual information to the public about issues and cases that are before the KCC for decision, and to educate and encourage public

participation in KCC proceedings. But there is a fine line between presenting a set of facts—and spinning the facts to support an outcome.

Not that CURB is against spinning the facts a bit. We're lawyers. We're a party to the case. Our job is to convince the judge (the KCC) that our facts and our clients' views are right. I want the judge to rule in our favor. Of course, every other party in the case is trying to accomplish the same thing. That's our legal process.

It's quite another thing when the judge, or at least a spokesperson for the judge, starts spinning the facts before the case is even finished with trial.

Don't get me wrong. In this case, CURB supports consolidating Westar's rate structures statewide. There has been a seventeen-year process of KCC actions aimed at moving rates towards parity. There is a lot of political history that comes with this case and a lot of emotion that has been a part of this long process. The CURB Board reviewed all of the facts and has concluded that rate consolidation makes sense. It would be truly unfortunate if an errant statement tainted the outcome of this case. There's a reason judges don't need spokespersons.

I'm willing to give the KCC the benefit of the doubt . . . a misstatement, certainly. But I'll be honest. I preferred the good old days when the commissioners listened, and the attorneys and witnesses did the talking.

—Dave Springe

IT'S YOUR TURN!

Tell the KCC what you think about Mid-Kansas Electric's request for a rate increase for its customers formerly served by Aquila

PUBLIC HEARING

September 16, 2009 6:30 p.m. - 9:00 p.m.

Participation is available at **five locations** in Mid-Kansas Electric's territory:

LIBERAL

The KCC will convene the hearing at the
Southwest Medical Center, Conference Room #2,
315 W. 15th St.

ADDITIONALLY,

Interested individuals may participate in the public hearing
via video conference at the following locations:

DIGHTON

Lane County Courthouse & Library, Community Room, 144 S. Lane St.

CLYDE

Clifton/Clyde High School, 616 N. High

DODGE CITY

Dodge City Public Library, Lois Flanagan Room, 1001 N. 2nd Avenue

ELLSWORTH

Ellsworth High School, 211 W. 11th St.

Part One of the hearing will be an informational meeting to allow Mid-Kansas to explain its request to the public and answer questions. KCC staff and CURB (and possibly other interveners) will be on hand to answer questions.

Part Two is a formal public hearing for members of the public to express their views to the Commissioners themselves.

Any person requiring special accommodations under the Americans with Disabilities Act should call the KCC at 1-800-662-0027 at least five days before the scheduled hearing date.

PUBLIC COMMENTS

The public is invited to submit comments regarding this proceeding through November 19, 2009. Comments should reference Docket No. 09-MKEE-969-RTS and be sent to:

KCC Office of Public Affairs and Consumer Protection
1500 SW Arrowhead Drive, Topeka, KS 66604

Comments may also be submitted via email to public.affairs@kcc.ks.gov
or by calling 1-800-662-0027.

For further information, contact the KCC Office of Public Affairs and Consumer Protection at 1-800-662-0027.

Federal stimulus package brings energy-savings programs to Kansans

State Energy Office launches “Efficiency Kansas” program

On June 24, 2009, the State Energy Office (SEO) received final approval from the US Department of Energy (DOE) for its Efficiency Kansas loan program. This program channels the federal stimulus dollars from the American Recovery and Reinvestment Act (ARRA) through private businesses in Kansas directly into local communities.

Efficiency Kansas is a revolving loan program—as funds are repaid, they go back into the fund to be loaned out again—with initial financing provided by the \$34 million awarded to Kansas through the ARRA’s state energy program.

While procedures for the Efficiency Kansas programs have not been finalized, the State Energy Office has published an Efficiency Kansas program manual. The manual includes guidelines for participants, partner banks and partner utilities. The procedures will differ somewhat, depending on which “track” the participant uses to access to Efficiency Kansas dollars: the “bank track” or the “utility track.”

CURB will remain actively involved in the procedures at the KCC, focusing on participants utilizing the “utility track” of Efficiency Kansas.

Following are some of the guidelines provided in the program manual:

Efficiency Kansas has NO income limits! ALL Kansas homeowners and owners of small businesses (including landlords), regardless of income, are eligible to participate and may access financing for approved projects through partner banks or partner utilities (provided that their electric or natural gas utility offers a program).

Not all utilities will be considered “partner utilities”. Utilities will be considered “partner utilities” if (1) they offer programs that facilitate energy conservation improvements in residences and small commercial or industrial facilities that are consistent with the KCC goals detailed in the 441 and 442 dockets, and (2) plan to utilize Efficiency Kansas financing, or collect loan payments on utility bills for partner banks.

Utilities subject to the jurisdiction of the KCC may become partner utilities upon approval by the Commission of the utilities’ programs and associated tariffs.

Utilities will be responsible for establishing the eligibility of interested customers. To be eligible for Efficiency Kansas financing, utility customers (1) must be current on their utility payments and (2) must not have had their utility service disconnected in the 12 months prior to their application for participation. Customers who do not have 12 months’ history

with their present utility will be asked to provide payment history with their previous utility. Customers who are paying off arrearages through payment plans do not meet the eligibility requirements.

Amount and terms of the financing guidelines are established by the State Energy Office. Participants approved for Efficiency Kansas financing will receive 100% of the approved project costs, up to a \$20,000 maximum for residential structures and \$30,000 for small commercial and industrial structures. The maximum term for all financed energy efficiency projects is 15 years (180 monthly bill payments), regardless of the class of customer or which track is used to access Efficiency Kansas.

Administrative fees will be charged as part of Efficiency Kansas program. Utilities will be allowed to charge administrative fees to cover the costs of administering their programs. Utilities under the jurisdiction of the KCC must include their administrative fees in the terms of the tariff for the program, which must be approved by the Commission. Non-jurisdictional utilities must submit their proposals to the State Energy Office for charging administrative fees, including the estimated costs to operate the program. In addition, a monthly \$2.00 program administration fee will be collected by the

utilities and paid to the State Energy Office.

Customer payments will be made through utility bills.

Participants in the Efficiency Kansas program who select the “utility track” will repay their loans and administrative fees through their utility bills. The amount due each month will appear as a separate line-item charge on the customer’s utility bill.

Customers who sign up for these programs should be advised that under current KCC policy, charges for non-utility-related, meter-based programs under KCC-approved tariffs are considered charges for “regular utility service,” so nonpayment of the utility bill, or failure to pay the entire amount due, constitutes grounds for disconnection of utility service—even if the customer has paid enough to cover the utility service portion of the bill.

In addition to the revolving loan program, Efficiency Kansas is also providing funds for energy auditor training and scholarships, equipment for new energy auditors, rebates for Efficiency Kansas energy audits, and rebates to banks to offset loan origination fees.

To learn more about the status of the Efficiency Kansas program, visit the website at www.energycanada.com.

CURB will continue to monitor and report the progress of the Efficiency Kansas program, and will provide further details as more information is made available.

Kansas will receive \$2.6 million for appliance rebates

The Kansas State Energy Office has been allocated \$2.6 million from the American Recovery and Reinvestment Act (ARRA), to launch a statewide appliance rebate program. The State Energy Office is in the planning stages for this new program, and will submit its final plan for approval to the US Department of Energy (DOE) in October 2009.

Overall, nearly \$300 million of ARRA funding is being provided to the states. The DOE anticipates that a vast majority of funding will be awarded by the end of November.

The State Energy Office will have the flexibility to select which residential ENERGY STAR®-qualified appliances to include in its programs and the individual rebate amount for each appliance. The DOE recommends that states and territories focus their program efforts on rebates for heating and cooling equipment, appliances and water heaters, because these products offer the greatest energy-savings potential.

ENERGY STAR®-qualified appliance categories eligible for rebates include: central air conditioners, heat pumps (air source and geothermal), boilers, furnaces (oil and gas), room air conditioners, clothes washers, dishwashers, freezers, refrigerators, and water heaters.

The State Energy Office expects the program to become

available sometime this fall. In addition, the State Energy Office advises that rebates will not be available on previously-purchased ENERGY STAR®-rated appliances.

KCC issues order on EISA standards

On July 27, 2009, the KCC issued an order addressing the newly-enacted Public Utility Regulatory Policy Act (PURPA) standards of the Energy Independence and Security Act of 2007 (EISA). The new EISA standards included requirements for the Commission to consider integrated resource planning, rate design modification to promote energy-efficiency initiatives, consideration of Smart Grid investments and Smart Grid information.

In its order, the Commission agreed with comments CURB filed in January 2009. CURB’s comments pointed out that the Commission in previous dockets had already addressed integrated resource planning and rate design modifications to promote energy efficiency initiatives.

CURB further argued that under EISA reporting requirements, the KCC can cite to its orders in previous relevant proceedings that satisfy the newly-enacted PURPA standards, and that the Commission did not need to revisit these topics. The KCC agreed, finding that it has already considered PURPA’s standards on integrated resource planning

(See PURPA, at page 10)

PURPA

(Continued from page 9)

and rate design modifications to promote energy-efficiency investments, and that no further action by the Commission is required to comply with these PURPA standards.

However, the Commission declined to formally adopt the PURPA standards and impose additional regulatory burdens upon Kansas utilities. The KCC asserted that there has already been significant progress in Kansas toward the policy goals expressed in the PURPA standards. Finally, the Commission's order acknowledged that it had not yet conducted a full investigation into Smart Grid investments.

In an effort to comply with this requirement of EISA, on August 26, the Commission followed up its order with a Notice of Roundtable Discussion on Smart Grid. The roundtable, to be hosted by the KCC, will take place on September 18, 2009.

The roundtable will address Smart Grid matters such as cost-benefit analysis, energy storage, and real-time pricing, as well as Smart Grid security and technologies that may be of interest to Kansas utilities. Representatives from the Edison Electric Institute, the Shpigler Group, the Brattle Group, and others will be on hand to facilitate the discussions. Representatives from CURB plan to attend.

***KCC Docket Nos. 09-GIME-360-GIE
and 09-GIMG-361-GIG***

Commission approves KCPL settlement

On July 24, 2009, the KCC approved the settlement of the third in a series of four rate cases filed by Kansas City Power and Light Company (KCPL) under a regulatory plan approved by the Commission in 2005. The settlement was entered into by KCPL, Kansas Electric Power Cooperative, Inc., KCC Staff, and CURB. The settlement included a \$59 million rate increase, consisting of \$41 million in traditional revenue requirement and \$18 million in pre-tax payment on plant. The new rates were effective August 1, 2009.

The settlement agreement reflected a fair compromise of the parties' original positions. KCPL had requested a \$71 million increase. Commission Staff had recommended a \$54 million rate increase, and CURB had recommended that the rate increase be limited to \$48 million. The settlement provides KCPL \$12 million less than the company had originally requested.

Terms of the settlement included an agreement by KCPL to perform a class cost of service study in its next rate case. Additionally, parties agreed to defer to the next rate case their dispute over whether certain costs related to Iatan Units 1 and 2 should be disallowed for imprudence. To help prevent the procedural disputes that arose in this case, the parties also agreed to collaborate on the timing and

procedures for KCPL's next rate case.

KCPL intends to file its next rate case late this year or early next year.

KCC Docket No. 09-KCPE-246-RTS

KCC approves settlement of Midwest's abbreviated rate case

On July 24, 2009, the Kansas Corporation Commission approved a settlement of the abbreviated rate case filed by Midwest Energy, Inc.. The abbreviated rate case was filed by Midwest on April 9, 2009, as approved by the Commission in the full rate proceeding filed in 2007.

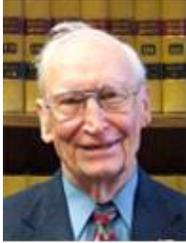
The purpose of the abbreviated rate case was to update Midwest's plant to account for additional capital expenditures related to FEMA projects and the completion of the Goodman Energy Center. Parties to the settlement included Midwest, Commission Staff, and CURB.

Midwest had requested an incremental revenue increase of \$1.86 million in its abbreviated filing. Staff had recommended a revenue increase of \$1.6 million, and CURB recommended a revenue increase of \$1.4 million.

In reaching the settlement for \$1.4 million, Midwest accepted adjustments recommended by Staff and CURB, resulting in an approximate 1.34% overall increase to Midwest's current electric rates.

***KCC Docket No. 09-MDWE-792-
RTS***

The Citizens' Utility Ratepayer Board



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