

Citizens' Utility Ratepayer Board

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CONSUMER ALERT PRESS RELEASE

Ratepayers Urged to Attend Public Hearing on 19% to 30% Rate Increases Proposed by Mid-Kansas/Southern Pioneer

TOPEKA, Kansas, March 14, 2012. The Citizen's Utility Ratepayer Board today issued the following consumer alert concerning a Public Hearing regarding the 19% to 30% rate increases proposed by Mid-Kansas Electric Company, LLC (Mid-Kansas) in the Southern Pioneer Electric Company (Southern Pioneer) service territory. Ratepayers will have the opportunity to ask questions and provide public comment at the **Public Hearing on Tuesday, March 20, 2012, from 6:00-8:00 p.m.** in Liberal and Haviland, Kansas.

"19% to 30% rate increases for residential and small business ratepayers in this extremely difficult economic time are far too high, especially so soon after the rate increase implemented in 2010," said David Springe, Consumer Counsel for CURB. "CURB urges consumers to attend this public hearing to let the Commissioners know their thoughts on these proposed rate increases."

Mid-Kansas filed a rate application on December 20, 2011, with the Kansas Corporation Commission (Commission or KCC) requesting a retail rate increase for the Southern Pioneer service territory. Southern Pioneer has customer service offices in Liberal and Medicine Lodge, Kansas. The Company has presented the Commission with two rate increase proposals.

The Company's traditional proposal would result in an overall rate increase of 13.7%. However, as applied to residential customers, this proposal would result in a **24.6%** rate increase for general use residential customers and a **30%** rate increase for residential space heating customers. Small business customers would receive a **30%** rate increase under the first proposal.

The Company has also proposed an alternative regulatory plan, with annual rate adjustments over five years. The alternative plan will result in an initial overall rate increase of 10.5%, but general use residential customers would receive an initial **18.9%** rate increase and residential space heating customers would experience an initial **26%** rate increase. Small business customers would receive an initial **26%** rate increase. CURB is concerned that the alternative five-year regulatory plan proposed by the Company could result in higher rates over the life of the plan and inadequate scrutiny of the annual rate adjustments by the Commission.

"While CURB has not yet completed our investigation, we are carefully examining the Company's proposals and claims," said Springe.

The Commission has scheduled a public hearing concerning the proposal that Mid-Kansas has requested. This hearing will allow the Mid-Kansas/Southern Pioneer customers to learn more about the proposal and provide an opportunity for customers to present testimony or comments for the Commission's review. CURB encourages customers to attend the public hearing, ask questions, and provide testimony to the Commission about the proposed rate increases.

The public hearing will take place in two parts. First, during the question and answer period, representatives of Mid-Kansas/Southern Pioneer, the KCC staff, and CURB will be available to answer customers' questions pertaining to the proposal. In the second part of the hearing, customers will be allowed to make formal statements to the Commission. The public hearing regarding Mid-Kansas' proposed rate increase will be held on **Tuesday, March 20, 2012, from 6:00 p.m. to 8:00 p.m.** at:

Southwest Medical Center
315 West 15th Street
Liberal, Kansas 67901

Video conference site:

Barclay College
Jackson Hall #2
607 North Kingman Street
Haviland, Kansas 67059

The Commission will accept written comments from Mid-Kansas customers through May 18, 2012. Comments regarding this case should reference Docket No.12-MKEE-380-RTS and should be sent to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604-4027. Comments may also be submitted by e-mail to the Commission at public.affairs@kcc.ks.gov.

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