

By ROBERT PIERCE

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About 41,000 households in western Kansas will see their electric rates increase an average of 7.5 percent, starting in February.

The Kansas Corporation Commission earlier this month approved increases for Hays-based Mid-Kansas Electric Co. The increases will generate about \$15 million in additional revenues for the utility.

This came following the settlement of a rate case in which Mid-Kansas had asked for \$22 million in increases. That settlement came in December.

In 2005, six electric cooperatives formed Mid-Kansas to buy assets from Aquila, and customers' rate will vary based on which cooperative supplies their power.

Southern Pioneer Electric, which supplies power to much of the local area, is part of that family, and Executive Vice President and Chief Operating Officer Randy Magnison said the increase will affect approximately 17,000 Southern retail customers in 10 counties.

"The overall rate increase of 9.6 percent, which was determined through the use of a rate consultant who assisted with preparing a cost of service study, was necessary to address increasing wholesale power supply (generation) cost increases, on-going regulatory compliance

and transmission and distribution infrastructure investments associated with providing customers with reliable and competitive service,” Magnison said.

He added for most customer classes, except those served by sub-transmission, Southern Pioneer will begin billing new rates with the billing cycle starting Feb. 23 for electric consumption after the effective date of Jan. 14 up through Feb. 23 and then applied to each of the eight billing cycles thereafter.

“The STR’s customers billing will be pro-rated,” Magnison said.

He said residential rates will increase by about 10 percent or \$8 per month. He said in the initial application submitted by Southern Pioneer and based on costs from the test year of June 2007 through 2008, the cooperative had requested a 16.1 percent overall increase.

“However, because of lower fuel costs in 2009, adjustments recommended by both Southern and the KCC staff, Southern was able to achieve a reduction in the request to the approved overall increase of 9.6 percent, which will allow Southern to continue to receive competitively priced energy and provide reliable service to its customers,” Magnison said.