

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

2 A. My name is Sonya Kessinger and my business address is 4902 North Biltmore
3 Lane, Madison, Wisconsin 53718.

4 **Q. On whose behalf are you testifying?**

5 A. I am testifying on behalf of South Beloit Water, Gas and Electric Company
6 (“SBWGE”).

7 **Q. Are you the same person that submitted direct testimony in Docket 03-0693
8 on April 8, 2004?**

9 A. Yes.

10 **Q. Please describe the purpose of your supplemental testimony?**

11 A. The purpose of my supplemental testimony is to make adjustments to the
12 originally filed 2003 FAC purchased power expense. These adjustments are
13 reflected in Supplemental Exhibits 2.1 and 2.2.

14 **Q. Please describe the adjustment to the 2003 allowable purchased power
15 expense.**

16 A. The purchased power expense shown on Line 1 of the originally filed Exhibit 1.2
17 should be reduced by \$415,608 for a total annual purchased power expense of
18 \$7,054,664. This adjustment corrects for the American Transmission Company
19 (ATC) wheeling costs that are included as a component of WP&L operations and
20 maintenance expense. The effect of not removing this amount is to double collect
21 these costs, once through the SBWGE fuel adjustment mechanism and once
22 through base rates.

1 **Q. What is the impact of these revisions to the 2003 Ro Factor amount?**

2 A. The total amount to be refunded through the 2003 Ro factor has been changed
3 from an under collection of \$21,376 to an over collection of \$394,232 as shown
4 on Supplemental Exhibit 2.1.

5 **Q. Does this complete your supplemental testimony?**

6 A. Yes, it does.

South Beloit Water, Gas and Electric Company
FAC Reconciliation, Docket 03-0693
For the year ended December 31, 2003

Line	Description	Amount	Line
1	Balance of Factor Ra at December 31, 2002 per 2002 Reconciliation	\$ (196,671)	1
2a	Balance of Factor Ro at December 31, 2002	\$ (333,019)	2a
2b	Unamortized Balance at December 31, 2002	(158,465)	2b
3	Factor Ro to be Collected/(Refunded) per the 2002 Reconciliation * [1]	-	3
4	Balance to be Collected/(Refunded) During 2003 from prior periods (Sum of Lines 1 - 3)	<u>\$ (688,155)</u>	4
5	2003 FAC Recoverable Costs	\$ 7,054,664	5
6	Less 2003 FAC Revenues	(2,105,722)	6
7	Less 2003 Base Fuel Cost (BFC) Revenues	(4,601,182)	7
8	Under/(Over) Recovery for 2003 (Sum of Line 5 to Line 7)	<u>\$ 347,759</u>	8
9	FAC Reconciliation Balance at December 31, 2003 (Line 4 + Line 8)	\$ (340,396)	9
10	Balance of Factor Ra at December 31, 2003	53,836	10
11	Unamortized Balance of Factor Ro at December 31, 2003	-	11
12	Requested Factor Ro Collection/(Refund) (sum of Line 9 - Line 12)	<u>\$ (394,232)</u>	12

Line 5: Exhibit 2.2, Line 1
Line 6: Exhibit 2.2, Line 8
Line 7: Exhibit 2.2, Line 10
Line 9: Schedule IV, Line 13, January & February 04 as filed in monthly
FAC with the ICC.

*** [1] The 2002 Ro Factor of \$79,638 was implemented in January 2004
and should be included in the 2004 annual reconciliation.**

**South Beloit Water, Gas and Electric Company
2003 FAC Reconciliation, Docket 03-0693**

Line	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total	Line
1 Total Recoverable Energy Costs FAC	\$540,708	\$499,726	\$496,887	\$481,208	\$1,148,774	\$681,130	\$766,523	\$743,903	\$541,845	\$551,562	\$553,037 *	\$49,361	\$7,054,664	1
2 Recoverable Energy Costs As Filed	\$540,708	\$499,724	\$496,887	\$498,707	\$871,840	\$1,075,684	\$731,789	\$688,439	\$481,183	\$377,509	\$546,696	\$464,969	\$7,274,135	2
3 Total KWH Sales	17,690,872	16,136,415	16,340,516	15,126,301	14,288,099	19,260,611	21,028,066	18,841,282	17,285,543	14,984,502	15,500,054	17,294,812	203,777,073	3
4 Interdepartmental Sales	55,952	50,683	45,842	12,162	1,560	1,743	2,068	1,893	2,686	1,364	3,249	5,733	184,935	4
5 Fuel Clause Sales	17,634,920	16,085,732	16,294,674	15,114,139	14,286,539	19,258,868	21,025,998	18,839,389	17,282,857	14,983,138	15,496,805	17,289,079	203,592,138	5
6 FAC Factor Billed	(\$0.00976)	(\$0.00980)	\$0.00888	\$0.01032	\$0.00771	\$0.01010	\$0.03596	\$0.04037	(\$0.00247)	\$0.00904	\$0.03434	(\$0.00854)		6
7 FAC Factor Recovered	(\$272,439)	(\$158,027)	\$301,758	\$167,724	\$90,205	\$210,984	\$1,020,461	\$812,204	(\$534,193)	\$246,451	\$759,480	(\$538,886)	\$2,105,722	7
8 Base Rate Factor	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260	\$0.02260		8
9 Base Rate Recovery (Line 5 x Line 8)	\$398,549	\$363,538	\$368,260	\$341,580	\$322,876	\$435,250	\$475,188	\$425,770	\$390,593	\$338,619	\$350,228	\$390,733	\$4,601,182	9
10 Total FAC Recovery (Line 7+Line 9)	\$126,110	\$205,511	\$670,018	\$509,304	\$413,081	\$646,234	\$1,495,649	\$1,237,974	(\$143,600)	\$585,070	\$1,109,708	(\$148,153)	\$6,706,904	10
<u>Line 4 Detail</u>														
11 Interdepartmental Sales	50,560	44,960	41,760	9,440	160	320	320	320	160	320	960	1,280	150,560	11
12 Company Use Unbilled	5,392	5,723	4,082	2,722	1,400	1,423	1,748	1,573	2,526	1,044	2,289	4,453	34,375	12
13 Line 4	55,952	50,683	45,842	12,162	1,560	1,743	2,068	1,893	2,686	1,364	3,249	5,733	184,935	13

Source:

Line 1: C:\Temp\2003 FAC Calc.xls\Cost, Kerry Hayden
Line 2: Monthly FAC filing, Schedule V, Line 21
Line 3 - 4: WPL Journal Entry #4000022 (94, 307 & 404), Nancy Buckingham
Line 6: Monthly FAC filing, Schedule I, Line 8
Line 7: Monthly FAC filing, Schedule VI, Line II of the second prior month.
Line 8: See SBWGE, Electric Tariff, Sheet

[*] Amount corrected for ATC wheeling charge.