

Midwest Energy, Inc. Current Comments

April 2023

Making energy work for YOU

Kansas AG Files Lawsuit for Market Manipulation Midwest Energy's Gas Cost Recovery Plan On Track to End Early

The Kansas Attorney General's office has filed suit against a Houston-based firm that serves as a middle-man for Kansas gas utilities, arguing it manipulated market prices and gouged Kansas customers \$50 million in costs during Winter Storm Uri in February 2021.

The lawsuit, filed in late February in Shawnee County District Court, is one of the first state actions in the U.S. related to potential market manipulation during Uri's polar vortex storm, which slammed Kansas and the other Great Plains states from February 11-18, 2021.

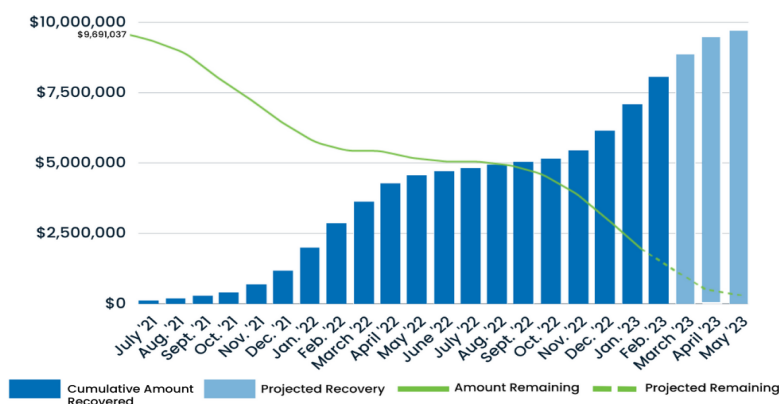
The Attorney General's office alleges that Macquarie Energy engaged in an artificially inflated sale of natural gas to drive the benchmark

used to set gas prices upwards and thus increase costs for utilities. Major gas and electric utilities in the state have successfully petitioned the Kansas Corporation

Commission to allow them to assess charges to consumers for years and, in some cases, over a decade to recover those historically high costs.

In the suit, the Attorney General's office wrote that Macquarie pur-

WINTER STORM URI COST RECOVERY SCHEDULE



WINTER STORM URI COST RECOVERY

COMPANY	Kansas Gas Service	Atmos Energy	Black Hills Energy	Midwest Energy, Inc.
EXCESS COSTS (IN MILLIONS)	\$366M	\$102M	\$87.9M	\$9.6M
AVERAGE BILL IMPACT	\$5.64/month for 10 years	\$5.78/month for 10 years	\$11.47/month for 5 years	\$8.27/month for 2 years*
TOTAL COST/CUSTOMER	\$676.80	\$693.60	\$688.20	\$198.48

*Rather than a flat monthly charge, Midwest Energy residential customers paid an additional \$0.143 per therm of gas used over an estimated two-year period.

DATA FROM KGC.

posefully bought gas at an inflated price in a bid to influence key benchmarks for setting prices.

"Indeed, no one has ever paid any

fixed price for Southern Star gas even remotely close to the price that Macquarie agreed to pay," the lawsuit said. "The fixed price that Macquarie agreed to pay ... is — and at the time of its transaction (and delivery) was — an outlier: far above, and disconnected from, all other contemporary Southern Star transaction prices."

The suit alleges Macquarie violated the federal Commodity Exchange Act, which governs federal regulation of all commodity trading in the country, and seeks damages for the company's alleged behavior.

"We are pleased with the Attorney General's action on this matter," said Patrick Parke, Midwest Energy's Chief Executive Officer. "As a relatively small utility, we do not have the resources to litigate a matter involving federal trade law." *Continued*



MIDWEST
ENERGY, INC.

30764-I-0207

Know What's Below: Call 811 Before Digging



April is National Safe Digging Month. It is actually illegal to begin a digging project without contacting Kansas One Call by dialing 811, a free service to get your underground utility lines marked before you start any digging or construction.

By dialing 811 at least two business days prior to digging, utility companies in the area will be notified of your intent to dig. A locator will then come and detect the approximate location of buried gas,

water, sewer and electric lines that may be in your path of work. These areas will be marked with flags or paint for easy visibility.

Remember that these marks provide the "approximate" location, and erosion or settling may cause underground lines to shift over time. It is important to call 811 each time you are starting a new project that requires excavation, as the utility lines may not be exactly where they were previously.

As always, after the locator has marked the underground lines, still proceed to dig carefully around those areas. Some utility lines may be buried at a shallow depth, where post drivers and shovels can be potentially dangerous. Even small projects require a call, no matter how shallow you think the digging will be.

So call 811. It's fast, it's free, and it's Kansas law.

Steps for Filing a Complaint with Midwest Energy

Midwest Energy is a self-regulated cooperative. Under Kansas law, final authority for handling member complaints rests with the Board of Directors (not the Kansas Corporation Commission.) Here are the steps to follow should you wish to file a complaint.

Step 1: Attempt to resolve the issue at the earliest opportunity with a Midwest Energy employee. Members are encouraged, but not required, to submit complaints and evidence in writing.

Step 2: If the complaint cannot be resolved by a Midwest Energy employee, members may contact Justin MacDonald, Vice President of Customer Service.

Step 3: If the Vice President of Customer Service is unable to resolve the issue, escalate the complaint to the Chief Executive Officer. The CEO will advise the member of his/her decision.

Step 4: If the CEO is unable to resolve the matter satisfactorily, the member may escalate the complaint

to the Chair of the Board of Directors. At the Chair's discretion, the matter may be placed on the agenda for consideration at the Board's next meeting.

You may contact us at 1-800-222-3121 to speak with our Vice President of Customer Service or CEO. To contact the Board Chair, please visit www.mwenergy.com under About > Transparency, to find a direct email contact link.

Kansas AG Files Storm Lawsuit

During Uri, Midwest Energy incurred roughly \$10 million in excess gas costs, an average of \$198 per customer, the least of any major gas utility in Kansas. Midwest Energy's recovery plan adds an additional 14.3¢ per therm to collect the excess cost, which was expected to take 24 months, ending July 31, 2023.

As of Feb. 28, 2023, Midwest has recovered more than \$8.087 million towards a total of \$9.681 million, and based on current estimates, recovery

could be completed a month early.

"Our gas volumes have been much higher this November through February than the year prior," said Tom Meis, Midwest Energy's Chief Financial Officer. "If March through May volumes are similar to last year, we should be able to eliminate the Winter Storm Uri rider in June, a full month ahead of our projections."

Energy Efficiency Tip of the Month

This planting season, include energy efficiency in your landscaping plans.

Adding shade trees around your home can reduce surrounding air temperatures as much as 6 degrees.

To block heat from the sun, plant deciduous trees around the south side of your home. Deciduous trees provide excellent shade during the summer and lose their leaves in the fall and winter months, allowing sunlight to warm your home.

Source: energy.gov



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