

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Andrew J. French, Chair
 Dwight D. Keen
 Annie Kuether

In the Matter of the Application of Heartland)
Rural Electric Cooperative, Inc. for a)
Certificate of Convenience and Authority to)
Transact the Business of a(n) Electric Public) Docket No. 25-HREE-355-COC
Utility in the State of Kansas in Portion of)
Section 2, Township 22 South, Range 25 East,)
Linn County, Kansas)

ORDER GRANTING APPLICATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

I. BACKGROUND

1. On March 17, 2025, Heartland Rural Electric Cooperative, Inc. (“Heartland Rural”) filed an application in the above-captioned docket requesting to expand its certificated territory in portions of Linn County, Kansas.¹

2. Heartland Rural is willing to provide service to the customer and is therefore requesting a Certificate of Convenience and Necessity to serve the following territory, to the extent not already served by Heartland Rural:

LINN COUNTY, KANSAS

Beginning with the NW corner, South 1/2, Northeast 1/2, Section 02, Township 22 South, Range 25 East, thence South 1310.07’ to Southwest corner of Northeast 1/4 Section 02, Township 22 South, Range 25 East, thence 960’ East along South line, thence North 1310’ to North line South 1/2 Northeast 1/4, thence West to Point of Beginning.

¹ Application for Heartland Rural Electric Cooperative, Inc., Docket No. 25-HREE-355-COC (March 17, 2025) (“Application”).

3. The above-described tract of land is located on the service border of Heartland Rural and Evergy Kansas Metro, Inc., d/b/a Evergy Kansas Metro (“EKM”). On February 10, 2025, EKM filed an application in Docket No. 25-EKME-313-CCS requesting to cease servicing the above-described tract of land.²

4. On March 18, 2025, Commission Staff (“Staff”) submitted a Report and Recommendation (“R&R”) in which Staff analyzed both Heartland Rural and EKM’s applications.³ Staff ultimately recommended that the Commission find that public convenience and necessity will be promoted by this transaction and therefore grant Heartland Rural’s Application.⁴ Staff’s R&R is incorporated by reference herein and attached hereto as **Attachment A**.

5. A customer whose property is currently located within the certificated territory of EKM but is also located on the border of the certificated territories of Heartland Rural and EKM plans to build a new home on the property.⁵

II. LEGAL STANDARDS AND DISCUSSION

6. The Retail Electric Suppliers Act (“RESA”), K.S.A. 66-1,170 *et. seq.*, requires the State of Kansas to be divided into electric service territories in which only one retail electric supplier is established for a given territory.⁶ RESA provides that retail electric suppliers may enter into agreements to amend boundaries between their facilities, subject to Commission approval.⁷

7. The Commission is given full power, authority, and jurisdiction to supervise and control the electric public utilities, as defined in K.S.A. 66-101a, doing business in Kansas, and is

² Evergy Kansas Metro Application, Docket No. 25-EMKE-313-CCS (Feb. 10, 2025).

³ Report and Recommendation, Utilities Division, Dockets No. 25-EKME-313-CCS and 25-HREE-355-COC (March 18, 2025) (“Staff’s R&R” or “R&R”).

⁴ *Id.* at p. 2.

⁵ *Id.*

⁶ K.S.A. 66-1,172.

⁷ *Id.*

empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.⁸ The Commission has the power to grant an application requesting a Certificate of Convenience and Necessity if it determines that public convenience and necessity will be promoted by the transaction of business by the applicant.⁹

III. FINDINGS AND CONCLUSIONS

8. The Commission finds that it would be inconvenient and more expensive for the customer whose property is located on the above-described tract of land to remain an EKM customer because EKM would be required to extend a distribution line approximately 1900 feet, at a cost to the customer of approximately \$38,000, while Heartland Rural has existing facilities contiguous to the above-described tract of land and could easily serve the customer.¹⁰

9. The Commission finds that Heartland Rural and EKM have mutually agreed, subject to Commission approval, that Heartland Rural should serve as the electric provider for this customer.

10. The Commission finds that the recommendations contained in Staff's March 18, 2025, R&R are reasonable and adopts the same.

11. The Commission concludes that public convenience and necessity will be promoted by the approval of Heartland Rural's Application.

⁸ K.S.A. 66-101.

⁹ K.S.A. 66-131.

¹⁰ Staff's R&R, p. 2.

THEREFORE, THE COMMISSION ORDERS:

A. Heartland Rural's Application is granted.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹¹

BY THE COMMISSION IT IS SO ORDERED.

French, Chair; Keen, Commissioner; Kuether, Commissioner

Dated: 03/25/2025



Abigail D. Emery
Acting Secretary to the Commission

MKH

¹¹ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).



Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION
UTILITIES DIVISION

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Jason Kerr, Utility Engineering Technician
Paul Owings, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: March 18, 2025

SUBJECT: **Docket No. 25-EKME-313-CCS** – In the Matter of the Application of Evergy Kansas Metro, Inc. for Authority to Cease Transacting the Business of an Electric Public Utility Specifically, in Section S02, T22S, R25E in Linn County, Kansas.

Docket No. 25-HREE-355-COC – In the Matter of the Application of Heartland Rural Electric Cooperative, Inc. for a Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas.
In portions of Section 2, Township 22 South, Range 25 East, Linn County, Kansas.

EXECUTIVE SUMMARY:

In Docket 25-EKME-313-CCS, Evergy Kansas Metro, Inc. (Evergy) is seeking approval of the Commission to Cease transacting as an electric public utility for a small tract (tract) of land in Linn County. In Docket 25-HREE-355-COC, Heartland Rural Electric Cooperative, Inc. (Heartland) is requesting a Certificate of Convenience and Authority to engage in the business of an electric public utility for the small tract of land.

Staff recommends that the Commission grant these Applications and find that public convenience will be promoted by this transaction.

BACKGROUND:

On February 10, 2025, Evergy brought Docket 25-EKME-313-CCS by filing an application to Cease transacting as an electric public utility in a small tract of land in Linn County. On March 17, 2025, Heartland brought Docket 25-HREE-355-COC by filing an Application for the Certificate of Convenience and Authority to engage in the business of an electric public utility for the Tract.

A customer whose property is on the border of the certified territory of Evergy and Heartland plans to build a new home on the property. Currently, the home would be in the certified territory of Evergy. To remain an Evergy customer, they would be required to extend a distribution line approximately 1900 feet, at a cost to the customer of approximately \$38,000. Heartland has existing facilities across the road of the building site and could easily serve this customer. Both Evergy and Heartland have mutually agreed, subject to Commission approval, that Heartland should serve as the electric provider for this customer.

The landowner's property is located along the line dividing Evergy and Heartland territories. It would be inconvenient and more expensive for the landowner to accept if Evergy was to extend a distribution line to their property. Heartland has facilities contiguous to the landowner's property and can supply electricity with the existing facilities without the need or expense of new facilities, the cost of which would be passed to the customer.

ANALYSIS:

The Commission has jurisdiction to grant a Certificate of Convenience to any public utility seeking to transact business in the State of Kansas.¹ K.S.A. 66-1,170 et seq., the Retail Electric Suppliers Act (RESA) requires the State of Kansas to be divided into electric service territories in which only one retail electric supplier is established for a given territory.² Notwithstanding the mandated single electric provider service territories, RESA also provides that retail electric suppliers can enter into agreements to amend boundaries between their facilities.³ Such agreements are filed in the form of Certificates and, if approved by the Commission, Certificates to amend the subject territory are issued accordingly.⁴

The statutory standard in this matter is whether the public convenience will be promoted by the transaction of the applicant's business and permitting the Applicant to transact the business of a...public utility.⁵

Staff has reviewed both Applications and has confirmed the legal descriptions included in both Applications are accurately depicted on the map attached to each Application. Staff has also confirmed that the legal descriptions are not in conflict with the Commission's Certificate records. The legal description, Attachment A, and map depicting the territory trade, Attachment B, are included in this Report and Recommendation.

RECOMMENDATION:

Staff recommends that the Commission grant these Applications and find that public convenience will be promoted by this transaction. Upon approval, the updated territory descriptions will be reflected in the Commission's certified territory map.

¹ K.S.A. 66-131(a); 66-1,172; 66-1,175.

² K.S.A. 66-1,172.

³ K.S.A. 66-1,175.

⁴ *Id.*

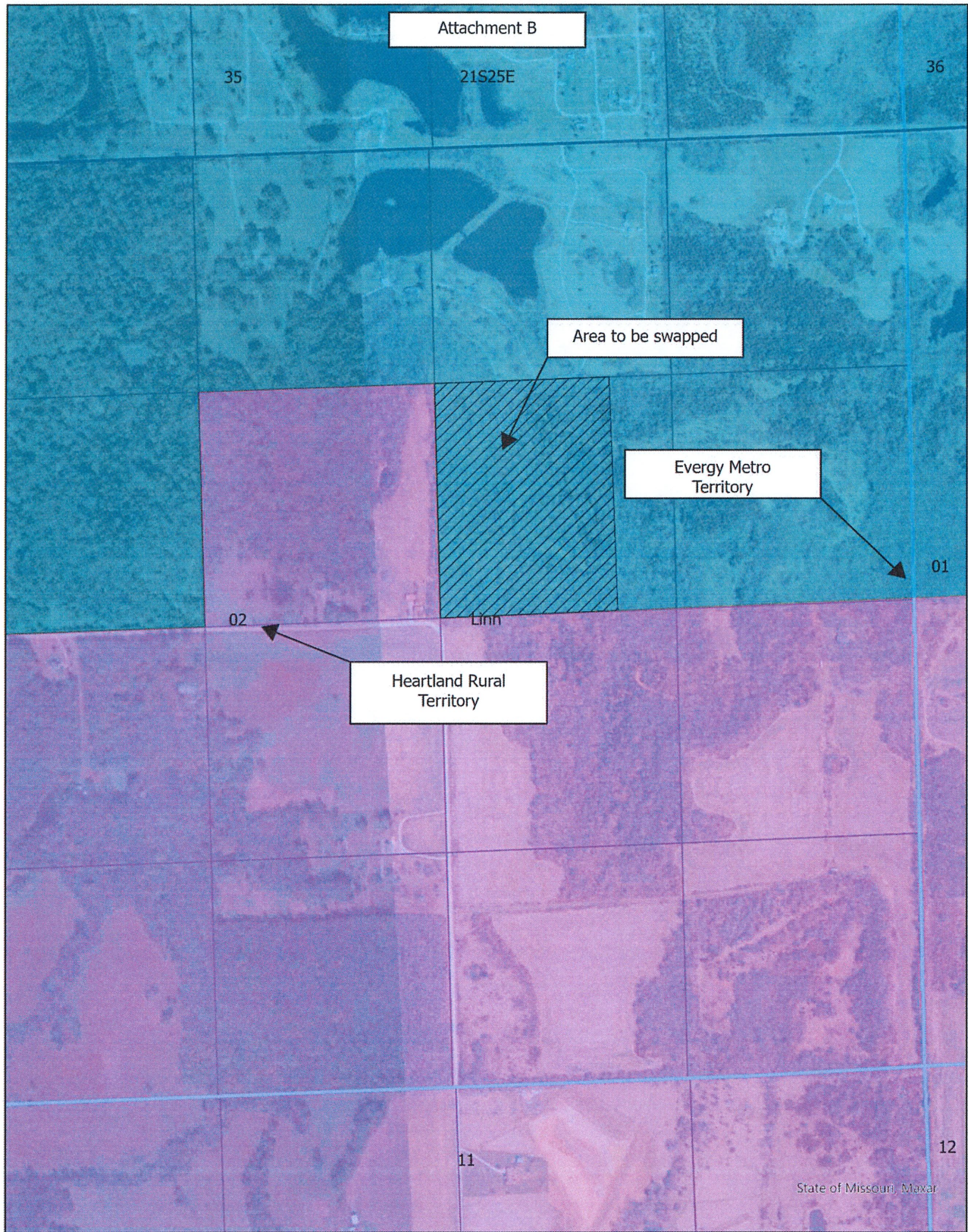
⁵ K.S.A. 66-131(a).

ATTACHMENT A

Legal Description of Territory Trade Between
Every Kansas Metro, Inc. and Heartland Rural Electric Cooperative, Inc.
Docket No. 25-EKME-313-CCS and 25-HREE-355-COC

LINN COUNTY, KANSAS

Beginning with the NW corner, South 1/2, Northeast 1/2, Section 02, Township 22 South, Range 25 East, thence South 1310.07' to Southwest corner of Northeast 1/4 Section 02, Township 22 South, Range 25 East, thence 960' East along South line, thence North 1310' to North line South 1/2 Northeast 1/4, thence West to Point of Beginning.



CERTIFICATE OF SERVICE

25-HREE-355-COC

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 03/25/2025.

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/S/ KCC Docket Room

KCC Docket Room