

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

In the Matter of the Complaint Against 4)
Rivers Electric Cooperative, Inc.) Docket No. 26-4REE-066-COM

NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION

The Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission”, respectively), hereby files its Report and Recommendation (“R&R”) regarding Derrick Keim’s formal complaint against 4 Rivers Electric Cooperative, Inc. (“4 Rivers”), requesting the Commission remove a section of the territory certified to 4 Rivers and reassign it to Evergy Kansas Central, Inc. (Evergy).

Based upon Staff’s review of the formal complaint and the 4 Rivers proposal to provide electrical service to the territory as well as discovery conducted in this matter, Staff has concluded that the 4 Rivers proposal is reasonably efficient. While Evergy may be able to provide more efficient service, modifying service territories based on the cost to provide service alone is contrary to public policy established by the Retail Electric Suppliers Act (RESA) of 1976. Considering 4 Rivers is unwilling to release the certificated area, Staff recommends the Commission dismiss the Complaint.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and or such other relief as the Commission deems just and reasonable.

Respectfully submitted,
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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
Justin Grady, Director of Utilities

DATE: November 6, 2025

SUBJECT: Docket No. 26-4REE-066-COM - In the Matter of the Complaint against 4 Rivers Electric Cooperative, Inc.

EXECUTIVE SUMMARY:

Through a Formal Complaint, Derrick Keim (Complainant) is requesting the State Corporation Commission of the State of Kansas (Commission) issue an Order that removes a section of the territory certified to 4 Rivers Electric Cooperative, Inc. (4 Rivers) and reassigns it to Evergy Kansas Central, Inc. (Evergy). The requested territory modification relates to a proposed electrical service for a building site located south and west of the t-intersection of Soldier Creek Road and Walt Trail Road in Wabaunsee County, Kansas (the Site). The Complainant is making the request stating Evergy can apparently provide service at a more efficient cost.¹

Kansas's legal framework for regulating electric service territories was established by the Retail Electric Suppliers Act (RESA) of 1976, which divided the state into exclusive retail service territories. Electric utilities have the exclusive right and responsibility to provide retail electric service within a certified service area.² RESA stipulates how service territories are modified when a city annexes land³ and when utilities mutually agree, contingent on approval by the Commission.⁴

¹ The Complainant provides documentation that 4 Rivers cost to serve is approximately \$58,320 not including applicable tree removal and easement acquisition costs. The Complainant did not provide an estimate from Evergy, but states Evergy can provide service at a more efficient cost.

² See K.S.A. 66-1,172.

³ See K.S.A. 66-1,176.

⁴ See K.S.A. 66-1,172.

Staff has reviewed 4 Rivers’ proposal to provide electrical service to the Site. Staff has concluded that 4 Rivers’ proposal to provide service to the Site is reasonably efficient. While Evergy may be able to provide more efficient service, public policy established in RESA favors the benefits of a monopolistic retail electric service over a competitive model where customers can choose a retail electric service based on price. Considering 4 Rivers is unwilling to release the certificated area,⁵ Staff recommends the Commission dismiss the Complaint.

BACKGROUND:

The Complainant desires to construct a home and ancillary buildings on the Site.⁶ The Site is located within 4 Rivers certified territory. The Complainant requested electrical service from 4 Rivers. 4 Rivers provided an estimate of \$58,320 for a 200-amp service.⁷ The estimate does not include tree removal or easement acquisition.⁸ The Site is located adjacent to Evergy’s certified territory. The Complainant has indicated that Evergy will not provide a formal estimate for electrical service because the property is outside of Evergy’s service territory. However, the Complainant is under the impression that Evergy can provide electrical service at a more efficient cost and therefore should be allowed to provide service to the Site.⁹ 4 Rivers is unwilling to release the service territory to Evergy or any other retail electric supplier for the Site.¹⁰

ANALYSIS

Kansas's legal framework for regulating electric service territories was established by the Retail Electric Suppliers Act (RESA) of 1976, which divided the state into exclusive retail service territories. Under this law:

- The Commission is required to divide the state into exclusive electric service territories.¹¹
- Within each service territory, only one retail electric supplier is authorized to provide service.¹²
- A supplier with a certified territory has both the exclusive right and the responsibility to provide retail service within its area.¹³

By requiring exclusive service territories, RESA prevents a market-based system where customers can request electric service in a competitive manner. By doing so, the public policy encourages the orderly development of retail electric service by avoiding wasteful duplication of facilities, avoiding unnecessary encumbrance of the landscape, preventing waste of materials and natural resources, facilitating public convenience and necessity, and minimizing disputes between electric service suppliers.¹⁴

⁵ Answer to Complaint and Petition to Overturn Order Making Prima Facie Determination, 4 Rivers Electric Cooperative (Sept. 8, 2025).

⁶ Formal Complaint; Derrick Keim against 4 Rivers Electric Cooperative, Inc. (Aug. 22, 2025) (Formal Complaint).

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ Answer to Complaint and Petition to Overturn Order Making Prima Facie Determination, 4 Rivers Electric Cooperative (Sept. 8, 2025).

¹¹ *See* K.S.A. 66-1,172.

¹² *Id.*

¹³ *Id.*

¹⁴ *See* K.S.A. 66-1,171.

RESA allows electrical service territory transfers in two circumstances, city annexation and agreement between utilities. K.S.A. 66-1,176 defines the requirements for a service territory to transfer when a city annexes land and K.S.A. 66-1,172 allows the transfer of territory upon agreement between utilities contingent on approval by the Commission. A municipal annexation is not occurring, and the utilities are not in agreement to transfer the property. Therefore, the allowable transfer scenarios allowed for in RESA do not apply.

The Commission also has broader regulatory authority under K.S.A. 66-101 to supervise and control electric public utilities. The Commission can also investigate and issue orders to ensure reasonably efficient and sufficient service under K.S.A. 66-101b and 66-101d. While the Commission's role is to regulate utilities, the Commission is not charged with fostering competition.

4 Rivers provided an estimate for electric service to the Site. The estimate included the cost to construct 6,175-feet of overhead power line at \$58,320 or approximately \$9.40 per linear foot.¹⁵ The estimate did not include the cost for tree removal or easement acquisition. In Staff's opinion, the cost to provide electric service is reasonable considering the length, nature, and location of the overhead power line extension.

Staff has contacted Evergy about this Formal Complaint. Evergy is unable to provide an official estimate to serve the Site because it is outside of Evergy's territory. However, it is Staff's understanding that Evergy could potentially serve the area for less than 4 Rivers. Evergy's cost to serve is less due to the vicinity of its infrastructure to the Site. Staff therefore encouraged 4 Rivers to work with its customer and Evergy to find a mutually beneficial solution. However, 4 Rivers has declined to do so.

Staff has found that 4 Rivers is willing to provide efficient and sufficient service to the Site at a reasonable cost. While in this specific instance Evergy may also be able to provide efficient service, modifying service territories based on the cost to provide service alone is contrary to public policy established in RESA. Staff therefore recommends the Commission dismiss the complaint.

RECOMMENDATION:

Staff has reviewed 4 Rivers proposal to provide electrical service to the Site. Staff has concluded that 4 Rivers' proposal to provide service to the Site is reasonably efficient. While Evergy may be able to provide more efficient service, modifying service territories based on the cost to provide service alone is contrary to public policy established in RESA. Considering 4 Rivers is unwilling to release the certificated area,¹⁶ Staff recommends the Commission dismiss the Complaint.

¹⁵ Formal Complaint.

¹⁶ Answer to Complaint and Petition to Overturn Order Making Prima Facie Determination, 4 Rivers Electric Cooperative (Sept. 8, 2025).

CERTIFICATE OF SERVICE

26-4REE-066-COM

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served via electronic service this 10th day of November, 2025, to the following:

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