

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of the Application of City of)
Norton for Permission to Cease Operating as)
an Electric Public Utility in the State of Kansas.) Docket No. 18-NRTE-078-CCS
Two site specific customers in SW ¼, SW ¼,)
NW ¼, Section 34, Township 2 South, Range)
23 West.)

**ORDER GRANTING APPLICATION TO CEASE TRANSACTING
THE BUSINESS OF AN ELECTRIC PUBLIC UTILITY**

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

I. BACKGROUND

1. On August 14, 2017, the City of Norton, Kansas ("City of Norton" or "City") filed an Application requesting to cease transacting the business of an electric public utility in two site-specific customer locations within the corporate limits of the City of Norton, Norton County, Kansas. The City of Norton is a municipal electric public utility as defined in K.S.A. 2016 Supp. 66-104. A public hearing was neither requested nor held on the City's Application.

2. On September 11, 2017, the Commission Staff (Staff) submitted a Report and Recommendation (R&R) dated August 24, 2017, recommending the Commission grant the City of Norton's Application authorizing the City to cease transacting the business of an electric public utility within the following site-specific customer locations:

NORTON COUNTY, KANSAS:

Two site specific customers, presently known as the Chase Rice water well and Mike Hess residence, located in the SW $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$, Section 34, Township 2 South, Range 23 West. With the exception of these above-noted customers, the described area is and will remain in the City of Norton's certified territory.¹

3. According to Staff, the City of Norton and Prairie Land Electric Cooperative, Inc. (Prairie Land) have agreed to certificate to Prairie Land two customers located within the corporate limits of the City. One customer is a new residence, which would be difficult for the City to serve due to a creek in that area; the other customer is a water well, which is owned by an existing residential customer for Prairie Land. Both customers wish to remain Prairie Land members. The City and Prairie Land seek customer specific certificate authority, which will only pertain to the two identified customers within the area described in the Application. Correspondingly, on August 14, 2017, Prairie Land filed a companion application in Docket No. 18-PLCE-075-COC requesting a Certificate of Convenience and Authority to serve the two site-specific customer locations identified in paragraph 2 above.

II. LEGAL STANDARDS AND DISCUSSION

4. Pursuant to K.S.A. 2016 Supp. 66-131, the Commission has jurisdiction to grant a Certificate to any public utility seeking to transact business in the State of Kansas. K.S.A. 66-1,170 et seq., the Retail Electric Suppliers Act (RESA), requires each and every retail electric supplier to obtain a Certificate from the Commission. The statutory standard of review in this matter is whether the "public convenience will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state."² Single electric certification shall be the standard in Kansas under K.S.A. 66-1,170

¹ See detailed Map styled "Exhibit A" attached to and made a part of the Application.

² K.S.A. 66-2016 Supp. 66-131.

et seq. Notwithstanding the mandated single electric provider service territories, RESA also provides that retail electric suppliers may enter into agreements to amend boundaries between their facilities. The agreements are subject to Commission approval, and if approved, the Commission shall issue a certificate accordingly.³

III. FINDINGS AND CONCLUSION

5. Staff states that it has reviewed the Applications filed by the City of Norton and Prairie Land and determines that the legal descriptions and maps provided by the companies' Applications are accurate and not in conflict with the Commission's Certificate records. Concluding, Staff recommends the Commission find that the requested transaction between the City of Norton and Prairie Land promotes the public convenience and that the Commission issue Orders granting the parties' requests.⁴

6. The Commission adopts Staff's analysis and recommendation of August 24, 2017, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the City of Norton's Application should be granted, and that public convenience will be promoted by granting the City's request to cease transacting the business of an electric public utility in the two site-specific customer locations.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Application filed by the City of Norton on August 14, 2017 is hereby granted and the City of Norton is hereby authorized to cease transacting the business of an electric public utility at the two site-specific customer locations as set forth in paragraph 2 above.

B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by

³ K.S.A. 66-1,175.

⁴ Id., page 2.

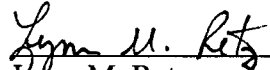
mail, from the date this Order was served, in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2016 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: SEP 14 2017


Lynn M. Retz
Secretary to the Commission

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Order Mailed Date
SEP 15 2017

Utilities Division
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Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chairman Pat Apple
Commissioner Shari Feist Albrecht
Commissioner Jay Scott Emler

FROM: Gary Dawdy, Utility Engineer II
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: August 24, 2017

SUBJECT: 18-PLCE-075-COC
In the Matter of the Application of Prairie Land Electric Cooperative, Inc. for a Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas. Two site specific customers in SW ¼, SW ¼, NW ¼, Section 34, Township 2 South, Range 23 West.

18-NRTE-078-CCS
In the Matter of the Application of City of Norton for Permission to Cease Operating as an Electric Public Utility in the State of Kansas. Two site specific customers in SW ¼, SW ¼, NW ¼, Section 34, Township 2 South, Range 23 West.

EXECUTIVE SUMMARY

Prairie Land Electric Cooperative, Inc. (Prairie Land) and City of Norton, Kansas, (City) are proposing to exchange customer specific certificate authority relating to two existing Prairie Land customers located within the City's certificated area. The two electric accounts are existing Prairie Land members which wish to remain with Prairie Land. To properly certificate these two accounts, the two electric suppliers have agreed that the customers should be certificated to Prairie Land.

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

BACKGROUND:

On August 14, 2017, Prairie Land filed an Application for Certificate in Docket No. 18-PLCE-075-COC and the City filed a Companion Application to Cease in Docket No. 18-NRTE-078-CCS.

The Commission has jurisdiction to grant a Certificate 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. 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. The agreements are filed in the form of Certificates and, if approved by the Commission, Certificates to amend territory are issued.

Prairie Land and the City have agreed to certificate, to Prairie Land, two customers located within the city limits of Norton. One customer is a new residence, which would be difficult for the City to serve due to a creek in that area; the other customer is a water well, which is owned by an existing residential customer of Prairie Land. Both customers wish to remain Prairie Land members. In these Applications, Prairie Land and the City are seeking customer specific certificate authority, which will only pertain to the two identified customers within the area described in the Application.

ANALYSIS:

Staff has reviewed the Applications and determined that the legal descriptions and maps provided with the Applications are accurate. Staff has also confirmed that the legal descriptions are not in conflict with the Commission's Certificate records. The proposed revision to the affected territories legal description is included as Attachment 1 to this Report and Recommendation.

RECOMMENDATION:

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

The Commission action date is February 10, 2018.

¹ K.S.A. 66-131

ATTACHMENT 1
Legal Description of Customer Specific Territory Trade Between
Prairie Land Electric Cooperative, Inc. and City of Norton, Kansas
Docket Nos. 18-PLCE-075-COC and 18-NRTE-078-CCS

NORTON COUNTY

Two site specific customers, presently known as the Chase Rice water well and Mike Hess residence, located in the SW 1/4, SW 1/4, NW 1/4, Section 34, Township 2 South, Range 23 West. With the exception of these above noted customers, the described area is and will remain the City of Norton's certified territory.

CERTIFICATE OF SERVICE

18-NRTE-078-CCS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on SEP 14 2017.

JAMES L. MILLER, MAYOR
CITY OF NORTON
CITY HALL 301 E. WASHINGTON
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NORTON, KS 67654

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/S/ DeeAnn Shupe

DeeAnn Shupe

Order Mailed Date

SEP 15 2017