

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Mark Sievers, Chairman
Thomas E. Wright
Shari Feist Albrecht

In the Matter of the Investigation by the)
Commission of the Adequacy of future) Docket No. 99-GIME-321-GIE
Kansas electric generation capacity.)

ORDER CLOSING DOCKET AND OPENING COMPLIANCE DOCKET

NOW, 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 and being duly advised on the premises, the Commission finds and concludes as follows:

1. On November 4, 1998, the Commission opened the above captioned matter. As a basis for opening an investigation the Commission noted that electric capacity shortages during the summer of 1998 may have indicated Kansas electric utilities had not adequately planned generation capacity to meet reliability criteria. The Commission also noted that on July 21, 1998, Farmland Industries, Inc. filed a complaint (docket no. 99-WSRE-034-COM) which, among other things, questioned the capacity of Kansas Gas and Electric Company.

2. On August 2, 1999, the Commission issued its Order utilizing Staff's final Report dated July 8, 1999. Among other things, the Commission ordered electric public utilities to file information explaining any material obligations or commitments (including those existing pursuant to SPP or FERC arrangements) that may affect the ability of the utility to meet its responsibility under K.S.A. 66-1,173 to provide electric service to retail customers in its

certificated area. The Commission required the information to be filed twice a year beginning December 31, 1999. The Commission also ordered Staff to review SPP EIA-411 reports and to monitor generation capacity in Kansas.

3. In 2011, the Kansas Legislature passed Senate Bill 224 amending K.S.A. 66-2203 adding new section 1. The new section appears at K.S.A. 66-1282 and requires the Commission to compile a report (Kansas Generation Planning Survey) beginning February 1, 2011, and every two years thereafter, regarding electric supply and demand for all electric utilities in Kansas.

4. On September 27, 2012, Staff of the Commission filed a Report and Recommendation, attached hereto, and made a part hereof by reference. The Report summarizes the foregoing information and details the collection of information and points out that Staff gathers information for the Kansas Generation Planning Survey through a spread sheet. Staff believes that the information contained in the spread sheet meets the requirements of the above captioned docket.

5. Staff recommends the Commission open a compliance docket wherein Westar, KCP&L, Empire, KPP, KMEA, KEPCo, Midwest Energy, Sunflower, Mid-Kansas, and KCK BPU would file annually, no later than November 1, an updated spreadsheet providing the data needed by Staff for the Kansas Generation Planning Survey provided to the Legislature as required by K.S.A. 66-1282. Staff believes the compliance filings will fulfill the requirements of the above captioned docket and K.S.A. 66-1282.

6. The Commission finds and concludes that Staff's recommendations are supported by substantial competent evidence and make sense for streamlining the reporting of the required information.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

(A) Staff's recommendations in its September 27, 2012 Report and Recommendation are approved.

(B) The above captioned docket shall be closed and a new compliance docket opened. The compliance docket shall be captioned "In the Matter of Annual Compliance Filings by Electric Utilities for the Kansas Generation Planning Survey, Pursuant to K.S.A. 2011 Supp. 66-1282, and as Required by Commission order in Docket No. 99-GIME-321-GIE" and have Docket No. 13-GIME-256-CPL.

(C) In the new compliance docket, Westar, KCP&L, Empire, KPP, KMEA, KEPCo, Midwest Energy, Sunflower, Mid-Kansas, and KCK BPU shall file annually, no later than November 1, an updated spreadsheet providing the information ordered in 99-GIME-321-GIE and the information required in K.S.A. 66-1282, including narrative explanations of wholesale transactions.

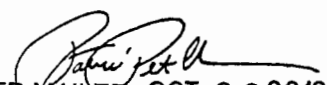
(D) A party may file a petition for reconsideration of the Order within fifteen (15) days of the date of this Order. If service is by mail, three (3) additional days may be added to the fifteen (15) day time limit to petition for reconsideration.

(E) The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Severs, Chr.; Wright, Com.; Feist Albrecht, Com.

Dated: OCT 25 2012


ORDER MAILED OCT 26 2012
Patrice Petersen Klein
Executive Director

RAF



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Mark Sievers, Chairman
Thomas E. Wright, Commissioner
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

STATE CORPORATION
COMMISSION

SEP 27 2012

TO: Chairman Mark Sievers
Commissioner Thomas E. Wright
Commissioner Shari Feist Albrecht

PATRICE PETERSEN-KLEIN
EXECUTIVE DIRECTOR

FROM: Michael J Wegner *mjw*

DATE: September 27, 2012

DATE SUBMITTED TO EXECUTIVE DIRECTOR: 9/27/12

DATE SUBMITTED TO LEGAL: 9-27-12

DATE SUBMITTED TO COMMISSIONERS: 10-16-12

SUBJECT: 99-GIME-321-GIE: In the Matter of the Investigation by the Commission of the Adequacy of Future Kansas Electric Generation Capacity.

EXECUTIVE SUMMARY:

The Commission's Order in Docket 99-GIME-321-GIE (Docket 99-321) requires all utilities to file information explaining, and a narrative statement of, any material obligations or commitments that may affect the ability of the utility to meet its responsibility to provide electric service to retail customers.

The 2011 Kansas Legislature passed a change to K.S.A. 66-2203 (Senate Bill 224) requiring the Commission to file the Kansas Generation Planning Survey every two years regarding electric supply and demand for all electric utilities in Kansas.

Staff is recommending that a compliance docket be opened where utilities can file the information that Staff requests to compile the Kansas Generation Planning Survey required by K.S.A. 66-2203 and also meets the filing requirements set forth in the Commission's Order to Docket 99-321.

BACKGROUND:

In summer of 1998, Farmland filed a Complaint against Westar, Docket 99-WSRE-034-COM, requesting an investigation into Westar's interruption of its largest Industrial and Commercial customers. This request led to the opening of Docket 99-321, a general investigation to look into

the generation capacity in Kansas due to the potential electricity shortage during the summer of 1998.

On August 2, 1999, the Commission issued its Order in Docket 99-321. Paragraph 2 of that Order states:

“The Commission found that the electric capacity shortages during the summer of 1998 and the 1998 SPP EIA-411 Report¹ were grounds for the Commission to investigate the adequacy of future Kansas electric generation capacity.”

Further, paragraph 16 of that Order states:

“The Commission finds that it is reasonable to require the utilities to file **information explaining any material obligations or commitments** (including those existing pursuant to SPP or FERC arrangements) that may affect the ability of the utility to meet its responsibility under K.S.A. 66-1,173 to provide electric service to retail customers in its certified area. **A narrative statement of all such obligations and commitments** is to be filed by each utility twice a year, with the first report due on December 31, 1999, and the next update due on June 30, 2000.”

Initial filings were made by the City of Pratt, December 20, 1999; Empire District Electric Co (Empire), December 27, 1999; WestPlains Energy (Aquila, no longer in business), December 28, 1999; Western Resources (Westar), December 30, 1999; and Southwestern Public Service Company (SPSC), January 3, 2000. Westar, SPSC, WestPlains, and Midwest Energy submitted filings between July 3, 2000, and August 3, 2000. WestPlains filed again in 2001 and SPSC made filings in 2001, 2004, 2005, and 2006. Despite intermittent filings from several utilities, Westar is the only utility to make the required filings on a consistent basis.

In its June 27, 2012, compliance filing, Westar suggested that Staff can find information regarding Westar’s wholesale obligations at FERC’s² website by reviewing its Electronic Quarterly Reports.

Legislative Change

The 2011 Legislature passed into law a change to K.S.A. 2010 Supp. 66-2203:

New Section 1. On or before February 1, 2013, and every two years thereafter, the state corporation commission shall compile a report regarding electric supply and demand for all electric utilities in Kansas. The report shall include, but not be limited to, generation capacity needs, system peak capacity needs and renewable generation needs associated with the 2009 Kansas renewable energy standards. The commission shall submit the report to the house energy and utilities committee and the senate utilities committee.

¹ SPP: Southwest Power Pool; EIA: Energy Information Administration. SPP files this report annually with EIA.

² Federal Energy Regulatory Commission

The statutory change is causing a duplication of effort for utilities to comply with Docket 99-321 and provide data to Staff for producing the Kansas Generation Planning Survey to meet K.S.A. 2010 Supp. 66-2203.

Docket 99-321 requires utilities to make biannual filings explaining any material obligations or commitments as described on the previous page.

Additionally, Staff gathers information from the utilities, annually, to compile the Kansas Generation Planning Survey as required by K.S.A. 66-2203. Information is filed by: Westar, Kansas City Power and Light Company (KCP&L), Empire, Kansas Power Pool (KPP), Kansas Municipal Energy Agency (KMEA), Kansas Electric Power Cooperatives, Inc. (KEPCo), Midwest Energy, Sunflower, and Kansas City Kansas Board of Public Utilities (KCK BPU).

ANALYSIS:

The information provided by Westar under Docket 99-321 is important to have, as it shows Staff what types of wholesale agreements are in place and what Westar is obligated to provide. It would be useful to see similar information from Empire, KCP&L, Midwest, Sunflower, Mid-Kansas Electric Company (Mid-Kansas), KPP, KMEA, KCK BPU, and KEPCo.

The FERC Electronic Quarterly Reports (EQR) that Westar mentioned provide a high level snapshot of the amount of Megawatt Hours (MWh) that were transacted during a specific quarter and the range of dollars paid for those MWhs, showing a high, low, and average price. While this is important data, it does not provide the level of detail that Westar is current providing in its filings under Docket 99-321; nor does it provide the amount of detailed information that Staff is currently collecting via the spreadsheet gathering Kansas Generation Planning Survey information.

The SPP EIA-411 filing referenced in the Commission's Order is a report that is broken into three sections. Each section provides the following:

First, a section providing Actual Monthly Peak Hour Demand in Megawatts (MW) for year 1 of the reporting period, and Projected Monthly Peak Hour Demand (MW) for years 2 and 3 following the reporting period. A table is shown for each utility providing data to SPP.

Second, a section showing the Actual Summer and Winter Peak Demand (MW) for year 1 and the Annual Net Energy Load in Gigawatt Hours (GWh), followed by a Projection of Summer and Winter Peak Demands and Energy Needs (GWh) for years 2 through 10. A table is shown for each utility providing data to SPP.

Third, a table showing a 10 year projection of Total Demand, Direct Control Management, Interruptible Load, Net Demand, Internal Capacity, Imports and Exports, ending with a Capacity Margin, all by utility.

While the SPP EIA-411 report contains a great summary of information, it does not provide the level of detail that Staff is getting through its Kansas Generation Planning Survey that is

gathered from the utilities. This information provides more details about each plant instead of a company summary that is provided by SPP in the EIA-411 report. The EIA-411 report can be used to verify and cross check data points. It should not be expected to be identical. Also, SPP has shown no consistency in the timing of its EIA-411 filings.

Staff gathers information for the Kansas Generation Planning Survey through a spreadsheet. An example of the "Forecasted System Capacity Responsibility" sheet is provided in exhibit MJW-01, which includes the wholesale and retail obligations of the utility. This sheet also provides data regarding the amount of "interruptible" load that the utility has access to. Finally, the sheet shows the utility's "Total System Capacity Responsibility". I believe this meets the requirements of Docket 99-321.³

When gathering the Kansas Generation Planning Survey data in preparation of the 2013 report to the legislature, Staff will ask the utilities to expand their wholesale data and include more information about the type of obligation it has (ie Full Requirements, Wholesale Formula, Units Most Likely to Serve, etc).

The Kansas Generation Planning Survey spreadsheet includes the following information:

- Firm Wholesale MWh sales, listing the Coop, City, or Utility that is purchasing power;
- Firm Wholesale MWh purchases, listing the source that the Utility is buying from;
- Native retail load;
- Owned MWh of generation;
- System peak demand;
- Interruptible load and amounts;
- System capacity responsibility less obligations Capacity purchases and sales;
- Renewable generation data; and
- RES Compliance data.

RECOMMENDATION:

Staff's intent is to meet the compliance filing requirements of Docket 99-321, collect the data needed by Staff to produce the Kansas Generation Planning Survey, and eliminate redundant reporting requirements.

Staff recommends that the Commission open a compliance docket where Westar, KCP&L, Empire, KPP, KMEA, KEPCo, Midwest Energy, Sunflower, Mid-Kansas, and KCK BPU would file annually, no later than November 1, an updated spreadsheet providing the data needed by Staff for the Kansas Generation Planning Survey to the Legislature as required by K.S.A. 66-2203, which would include narrative explanations of wholesale transactions.

³ Docket 99-321 requires the utilities to identify "...material obligations or commitments."

The compliance filings will meet both K.S.A. 66-2203 and the requirement set forth in the Commission's Order under Docket 99-321. Therefore, filings in Docket 99-321 will no longer be needed if the Commission accepts this recommendation and opens a new compliance docket.

cc: Patrice Petersen-Klein, Executive Director
Jeff McClanahan, Director of Utilities
Craig Paschang, Compliance Officer
Andy Fry, Energy Engineer

Exhibit

MJW-01

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
KELLY S. WALTERS, REGULATORY & GENERAL SERVICES EMPIRE DISTRICT ELECTRIC COMPANY PO BOX 127 JOPLIN, MO 64802		
BLAKE ELLIOTT KANSAS CITY BOARD OF PUBLIC UTILITIES 540 MINNESOTA AVENUE KANSAS CITY, KS 66101-2930		
VICKIE SCHATZ, CORPORATE COUNSEL KANSAS CITY POWER & LIGHT COMPANY ONE KANSAS CITY PLACE 1200 MAIN STREET (64105) P.O. BOX 418679 KANSAS CITY, MO 64141-9679		
ROBERT A. FOX, SENIOR LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 ***Hand Delivered***		
J. MICHAEL PETERS, GENERAL COUNSEL KANSAS ELECTRIC POWER CO-OP, INC. 600 SW CORPORATE VIEW (66615) PO BOX 4877 TOPEKA, KS 66604-0877		
C DIANN BURRESS, MGR KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431		
CURTIS M. IRBY, GENERAL COUNSEL KANSAS POWER POOL GLAVES, IRBY AND RHOADS 155 NORTH MARKET SUITE 1050 WICHITA, KS 67202		
LINDSAY SHEPARD, EXECUTIVE MANAGER CORPORATION COMPLIANCE MID-KANSAS ELECTRIC COMPANY, LLC 301 WEST 13TH STREET PO BOX 980 HAYS, KS 67601		

ORDER MAILED OCT 26 2012

The Docket Room hereby certified that on this day of , 20 , it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
MICHAEL J. VOLKER, DIR REGULATORY & ENERGY SERVICES MIDWEST ENERGY, INC. 1330 CANTERBURY ROAD PO BOX 898 HAYS, KS 67601-0898		
DONALD L. GULLEY, VICE PRESIDENT, REGULATORY & MARKET AFFAIRS SUNFLOWER ELECTRIC POWER CORPORATION 301 W. 13TH PO BOX 1020 (67601-1020) HAYS, KS 67601		
MICHAEL B. HEIM, SR. REGULATORY ANALYST WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		

ORDER MAILED **OCT 26 2012**

The Docket Room hereby certified that on this _____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.