

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

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

In the Matter of the Application of Caney)
Valley Electric Cooperative Association,)
Inc. for a Certificate of Convenience and) Docket No. 18-CYVE-237-COC
Authority to Transact the Business on a(n))
Electric Public Utility in the State of)
Kansas. TWP. 31 S, Range 8E, Sec. 16.)

ORDER GRANTING CERTIFICATE OF CONVENIENCE AND AUTHORITY

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 December 4, 2017, Caney Valley Electric Cooperative Association, Inc. (Caney Valley) filed an Application requesting a Certificate of Convenience and Authority (Certificate) to transact the business of an electric public utility in a portion of Cowley County, Kansas. Caney Valley is an electric public utility as defined in K.S.A. 2016 Supp. 66-104. A public hearing was neither requested nor held on Caney Valley's Application.

2. Caney Valley requests that it be certificated as an electric public utility for the purpose of providing electric public utility service in the following described territory to wit:

The Southeast ¼ of Section 16, Township 31 South, Range 8 East in Cowley County, Kansas.

3. On January 19, 2018, the Commission Staff (Staff) submitted its Report and

Recommendation dated January 10, 2018, recommending the Commission grant Caney Valley's Application and issue the company a Certificate to transact the business of an electric public utility in the territory described 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 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 may enter into agreements to amend boundaries between their facilities. The agreements are subject to Commission approval, and if so approved, the Commission shall issue a certificate accordingly.¹

5. According to Staff, Caney Valley and Kansas Gas & Electric Company d/b/a Westar Energy (Westar) propose exchanging 160 acres of electric service territory located in Cowley County in order to better serve an electric customer, whose house is currently being served by Caney Valley close to the electric territory boundary line, and who wishes to construct a horse barn and also be served at that location by Caney Valley. Caney Valley and Westar have mutually agreed, subject to the Commission's approval, that to better serve the subject customer, Caney Valley should serve as an electric public utility in the territory described in paragraph 2 above.² By exchanging this tract of service territory, Staff determines the electric suppliers will accommodate the electric service customer, as well as provide for more efficient service in the area. On November 27, 2017, Westar filed a companion Application in Docket No. 18-KG&E-

¹ K.S.A. 66-1,175.

² Application, page 1.

220-CCS requesting authority to cease transacting the business of an electric public utility in the subject territory. Staff indicates that it has reviewed the Applications of both Caney Valley and Westar, determining that the legal descriptions and maps provided with the Applications are accurate. Staff also confirms that the legal descriptions provided by the parties are not in conflict with the Commission's Certificate records. Concluding, Staff determines that the public convenience will be promoted by the requested territory exchange and recommends the Commission grant the Applications of both Caney Valley and Westar.³

III. FINDING AND CONCLUSION

6. The Commission adopts Staff's analysis and recommendation of January 10, 2018, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that Caney Valley's Application should be granted, and that public convenience and necessity will be promoted by issuing Caney Valley the requested Certificate.

IT IS, THEREFORE, BY THE COMMISSION ORDERED AND CERTIFIED:

A. That the Application filed by Caney Valley Electric Cooperative Association, Inc. on December 4, 2017, is hereby granted and a Certificate of Convenience and Authority to transact the business of an electric public utility in the territory described in paragraph 2 above is hereby granted.

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

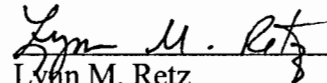
C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders, as it may deem necessary.

³ Report and Recommendation, page 2.

BY THE COMMISSION IT IS SO ORDERED AND CERTIFICATED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JAN 25 2018


Lynn M. Retz
Secretary to the Commission

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Order Mailed Date

JAN 26 2018

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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: Jason Kerr, Electric Utility Engineering Technician
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: January 10, 2018

SUBJECT: 18-KG&E-220-CCS
In the Matter of the Application of Kansas Gas and Electric Company, doing business as Westar Energy for authority to Cease Transacting the Business of an Electric Public Utility specifically in Portions of Section 16, Township 31 South, Range 8 East, Cowley County, Kansas

18-CYVE-237-COC
In the Matter of the Application of Caney Valley Electric Cooperative Association, Inc. for a Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas.
Twp. 31S, Range 8E, Sec. 16

EXECUTIVE SUMMARY

In Docket 18-KG&E-220-CCS, Kansas Gas and Electric Company, doing business as Westar Energy (Westar Energy), is seeking the approval of the Commission to cease operating as an electric utility in 160 acres of electric territory located in rural Cowley County, Kansas. In Docket 18-CYVE-237-COC, Caney Valley Electric Cooperative, Inc. (Caney Valley) is requesting a Certificate in the 160 acres of electric territory.

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

BACKGROUND:

On November 27, 2017, Westar filed an Application to Cease in Docket No. 18-KG&E-220-CCS. On November 4, 2017, Caney Valley filed a Companion Application for a Certificate in Docket No. 18-CYVE-237-COC.

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.

ANALYSIS:

Westar Energy is requesting authority to Cease and Caney Valley is requesting a Certificate in the Southeast ¼ of Section 16, Township 31 South, Range 8 East, in Cowley County, Kansas. A map marked as Exhibit A in the Application to Cease from Westar Energy provides a description of the proposed territory exchange.

Caney Valley presently serves a house near the Electric Territory boundary line. Westar Energy has agreed to relinquish a 160 acre section of territory so the homeowner can construct a new horse barn and be served by Caney Valley.

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 May 26, 2018.

¹ K.S.A. 66-131

CERTIFICATE OF SERVICE

18-CYVE-237-COC

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 JAN 25 2018.

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Hand Delivered

/S/ DeeAnn Shupe

DeeAnn Shupe

Order Mailed Date

JAN 26 2018