

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

In the Matter of the Joint Application of Mid-Kansas)
Electric Company, LLC, Sunflower Electric Power)
Corporation, Prairie Land Electric Cooperative, Inc.,)
Pioneer Electric Cooperative, Inc., The Victory)
Electric Cooperative Association, Inc., Western) Docket No. 18- MKEE-160-TFR
Cooperative Electric Association, Inc., Wheatland)
Electric Cooperative, Inc. and Southern Pioneer)
Electric Company for Approval of a Local Access)
Tariff and Mid-Kansas and Sunflower Open Access)
Transmission Tariff.)

PREFILED DIRECT TESTIMONY OF

SHANE LAWS

ON BEHALF OF

THE VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.

October 11, 2017

1 **Q. Please state your name.**

2 A. My name is Shane Laws.

3 **Q. By whom are you employed and what is your business address?**

4 A. I am employed by The Victory Electric Cooperative Association, Inc. ("Victory").

5 My business address is 3230 North 14th Avenue, Dodge City, Kansas. As CEO

6 of Victory, I am also a member of the Board of Directors for both Mid-Kansas

7 Electric Company, LLC ("Mid-Kansas") and Sunflower Electric Power Corporation

8 ("Sunflower").

9 **Q. Would you summarize your educational background?**

10 A. I graduated from the University of Texas at Arlington in May 1997 with a Bachelor

11 of Business Administration degree with an emphasis in management. I

12 completed the Robert I. Kabat Management Internship Program at The University

13 of Nebraska, Lincoln in May 2000. In December 2006, I earned a Master of

14 Business Administration degree from Texas Woman's University located in

15 Denton, Texas.

16 **Q. Please summarize your work experience.**

17 A. I'm currently the CEO for Victory, Dodge City, Kansas. I was named CEO on

18 October 1, 2013. Prior to Victory, I was the director, retail programs for CoServ

19 Electric in Corinth, Texas. I was directly responsible for a project engineering

20 department that designed and contracted large-scale residential and commercial

21 developments as well as an energy management department that provided

22 residential/commercial audit services and administered a residential/commercial

23 rebate program. In addition, I provided oversight for the cooperative's rates and

1 cost-of-service studies and tariffs. I have served in various capacities with three
2 electric cooperatives spanning nearly 24 years.

3 **Q. Have you previously presented testimony before the Commission?**

4 A. Yes, in Docket Nos. 16-MKEE-023-TAR, 16-VICE-494-TAR, and 17-VICE-481-
5 TAR.

6 **Q. What is the purpose of your testimony today?**

7 A. The purpose of my testimony is to provide a background of Victory and to
8 support the approval of the Local Access Tariff ("LAT").¹

9 **Q. Please provide a brief overview of Victory.**

10 A. Victory is an electric cooperative formed in 1947 under the Kansas Electric
11 Cooperative Act K.S.A. 17-4601 et seq. primarily for supplying electric energy to
12 the farm and residential customers in rural areas of southwest Kansas. Through
13 the years, however, Victory expanded to a broad consumer base. Today, Victory
14 maintains 2,700 miles of line serving diversified loads including residential,
15 industrial, commercial, and irrigation customers in nine southwest Kansas
16 counties.

17 **Q. Is Victory subject to the regulation and oversight of the Commission?**

18 A. No. Victory is self-regulated except for transmission services, which are still
19 regulated by the Commission.

¹ Unless otherwise defined, all capitalized terms used here in shall have the same meaning as set forth in the Local Access Tariff.

1 **Q. Would you describe the facilities which are subject to the LAT?**

2 A. Victory owns and operates sub-transmission facilities or what are defined as
3 Local System in the LAT. These facilities consist of 34.5 kV sub-transmission
4 lines and the facilities on the low side of the substation.

5 **Q. How is the Local System utilized by Victory?**

6 A. The Local System provides both retail service to our retail customers and
7 wholesale transmission service to third parties to wheel power and energy for
8 Local Access Customers. Currently, Kansas Electric Power Cooperative, Inc.
9 ("KEPCo"), the City of Cimarron, and the City of Montezuma utilize the facilities
10 owned by Victory for wholesale service. The third-party customers are served on
11 what is referred to as the Mid-Kansas division. The Mid-Kansas division consists
12 of the Local System that was acquired from Aquila, Inc. in the acquisition by Mid-
13 Kansas and later transferred to Victory in Docket 08-MKEE-099-MIS. Although
14 there is currently a Sunflower OATT, Victory currently provides no local access
15 service under the Sunflower OATT. All of Victory's local service is provided in the
16 Mid-Kansas division which Mid-Kansas serves as the Administrator for the local
17 access service.

18 **Q. Is Victory subject to the jurisdiction the Federal Energy Regulatory**
19 **Commission ("FERC")?**

20 A. No. Victory is not considered a public utility pursuant to Section 201(f) of the
21 Federal Power Act. Victory is organized as a cooperative. It does not sell in
22 excess of 4,000,000 MW hours of sales annually. As a result, it is my
23 understanding that Victory is exempt from FERC regulation.

1 **Q. Is Victory a member of the Southwest Power Pool (“SPP”)?**

2 A. No.

3 **Q. Do you support the LAT as proposed in the Joint Application?**

4 A. Yes. Victory fully supports the approval of the LAT. The latest version is much
5 more of a user-friendly tariff which has addressed the ambiguities and
6 inconsistencies of the current Mid-Kansas and Sunflower OATTs. Also, the
7 additional provisions that provide for penalties, a five-year true up, and Rate
8 Stabilization and Make-Whole Provision are significant improvements over the
9 current tariffs and are much needed to provide for fair and equitable services to
10 the wholesale and retail customers. The approval of the Rate Stabilization and
11 Make-Whole Provision is especially important to the retail and wholesale
12 customers that remain in the Local System if a wholesale customer leaves the
13 system prematurely. By implementing the Rate Stabilization and Make-Whole
14 Provision, it assures the benefits of the local planning and upgrades are paid for
15 by those that required the facilities. I also want to express my support for the
16 penalty provisions. I believe these are fair and equitable enforcement provisions
17 considering the dispute resolution process also set forth in the OATT.

18 **Q. In your opinion does the LAT provide the same core services as the current**
19 **Mid-Kansas and Sunflower OATTs?**

20 A. Yes. Mid-Kansas and Sunflower continue as the single point of contact for the
21 ease and convenience of wholesale customers obtaining customer service
22 without the System Owner relinquishing control over its Local System. The LAT

1 continues to provide open access on the Local System and retains and serves as
2 the single set of terms for service while maintaining the Commission jurisdiction.

3 **Q. Is Victory in support of the approval of the LAT?**

4 A. Yes, Victory is in full support and asks the Commission to approve it as
5 proposed.

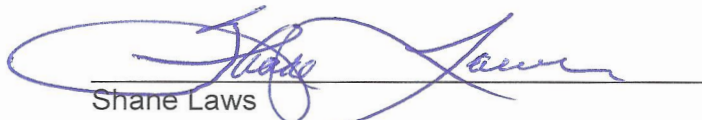
6 **Q. Does this conclude your testimony?**

7 A. Yes, it does.

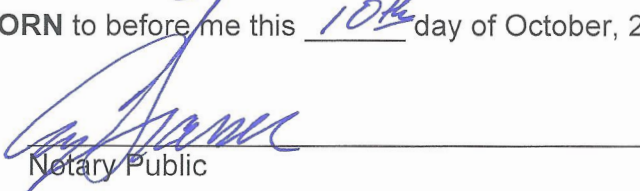
VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF FORD)

Shane Laws, being first duly sworn, deposes and says that he is the Shane Laws referred to in the foregoing document entitled "PREFILED DIRECT TESTIMONY OF SHANE LAWS" before the State Corporation Commission of the State of Kansas and that the statements therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.


Shane Laws

SUBSCRIBED AND SWORN to before me this 10th day of October, 2017.


Notary Public

My Appointment Expires:

