

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

In the Matter of the Application of)	
Sunflower Electric Power Corporation for a)	19-SEPE-058-COC
Transmission Rights Only Certificate of)	
Convenience and Authority to Transact the)	Docket No. 18-SEPE- <u>058</u> COC
Business of an Electric Public Utility in the)	
State of Kansas.)	

APPLICATION

COMES NOW, Sunflower Electric Power Corporation ("Sunflower") and pursuant to K.S.A. 66-131, hereby files this Application with the State Corporation Commission of the State of Kansas (hereinafter referred to as the "Commission") for the purpose of obtaining approval of a Transmission Rights Only Certificate of Convenience and Necessity to transact business as an electric public utility in the State of Kansas as further described in this Application. In support of its Application, Sunflower states as follows:

1. Sunflower is a non-profit, member-owned corporation operated as a cooperative, and has been granted a general Certificate of Convenience from the Commission to operate as an electric generation and transmission public utility. It is owned directly by six consumer-owned electric distribution cooperatives. The Members of Sunflower are as follows: Lane-Scott Electric Cooperative, Inc. ("Lane-Scott"); Pioneer Electric Cooperative, Inc. ("PEC"); Prairie Land Electric Cooperative, Inc.; ("PLEC"); The Victory Electric Cooperative Association, Inc. ("VECA"); Western

Cooperative Electric Association, Inc. ("WCEA"); and Wheatland Electric Cooperative, Inc. ("WEC").

2. In addition to the undersigned, copies of pleadings, documents, and correspondence in this docket should be sent to:

Reneé Braun
Corporate Paralegal and Contracts Supervisor
Sunflower Electric Power Corporation
301 West 13th Street
P.O. Box 1020
Hays, KS 67601
(785) 623-6630
rbraun@sunflower.net

James Brungardt
Manager, Regulatory Relations
Sunflower Electric Power Corporation
301 West 13th Street
P.O. Box 1020
Hays, KS 67601
(785) 623-6638
jbrungardt@sunflower.net

Dr. Al Tamimi
Vice President, Transmission Planning & Policy
Sunflower Electric Power Corporation
301 West 13th Street
P.O. Box 1020
Hays, KS 67601
(785) 623-3336
atamimi@sunflower.net

3. Under K.S.A. 66-104d, certain electric cooperatives may elect to be exempt from the jurisdiction, regulation, supervision and control of the Commission. Sunflower elected to self-regulate under K.S.A. 66-104d by complying with the requirements under subsection (c) thereof.¹ However, under K.S.A. 66-104d(f), a self-

¹ Deregulation Notice, dated July 27, 2009, filed pursuant to K.S.A. 66-104d, and approved by the Commission in a September 28, 2009 *Order Affirming [Sunflower's] Election to Deregulate*, Docket No. 10-SEPE-072-DRC.

regulated cooperative remains subject to the regulation of the Commission for purposes of certified service territory.

4. 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. If a retail electric supplier receives Commission approval, K.S.A. 1,173(a) allows it to extend distribution or transmission facilities through the territory of another supplier provided the supplier building through the territory only uses the line to serve its own certificated customers.

5. In this instance because Sunflower does not hold a retail certificate but is certificated to operate on a wholesale basis, transmission rights authority is needed along the entire route of its new transmission lines. The Commission has the authority to grant a Certificate of Convenience and Necessity to any public utility seeking to transact business in the State of Kansas under K.S.A. 66-131.

I. Proposed Transmission Project

6. Sunflower is requesting a Transmission Rights Only Certificate of Convenience and Necessity to construct, own, and operate an approximately 24 mile 115kV electric transmission line from the new Sunflower-owned Santa Fe Substation northerly to the new Wheatland-owned Charleston Substation, and then continuing north to the new Lane-Scott-owned Twin Springs Substation (the “Project”). The Project will be routed through the following real estate, as shown on the map attached hereto in **Exhibit A**, subject to minor changes due to routing negotiations with landowners:

- a. Sections 17, 20, 29, and 32, all in Township 23 South,
Range 30 West of the 6th P.M.;

- b. Sections 2, 3, 4, 5, 8, 9, 10, 11, 15, 22, 26, 27, 34, and 35, all in Township 24 South, Range 30 West of the 6th P.M.;
- c. Sections 3, 10, 14, 15, 23, 25, 26, 27, 34, and 36, all in Township 25 South, Range 30 West of the 6th P.M.;
- d. Sections 28, 29, 30, and 33, all in Township 25 South, Range 29 West of the 6th P.M.;
- e. Sections 4 and 5, all in Township 26 South, Range 29 West of the 6th P.M.

7. The Project will traverse the certificated retail service territories of the following electric utilities:

- f. The Victory Electric Cooperative Association, Inc., 3230 N. 14th Avenue, Dodge City, Kansas 67801 ("Victory");
- g. Wheatland Electric Cooperative, Inc., 101 Main Street, Scott City, Kansas 67871 ("Wheatland"); and
- h. Lane-Scott Electric Cooperative, Inc., 410 S. High Street, Dighton, Kansas 67839 ("Lane-Scott").

The aforementioned electric utilities, who are all members of Sunflower, have been notified of this application contemporaneously with its filing, and copies of such correspondence are attached hereto in **Exhibit B**.

8. The Project is part of a multi-year plan to reinforce the 115kV backbone in portions of Victory's, Wheatland's, and Lane-Scott's service territories. Overall, the Project will bolster transmission reliability and capacity in the area for three of Sunflower's members (Victory, Wheatland, and Lane-Scott) and offset the need for other transmission facilities. For additional discussion regarding the need for the Project, please refer to the Prefiled Direct Testimony of Dr. Ala Tamimi, filed as of even date herewith in this proceeding.

II. Standard of Review

9. Under K.S.A. 66-131, the general standard of review in this proceeding is whether the public convenience will be promoted by the Project. The Kansas Supreme Court has stated that, when determining whether to grant an application for a certificate of convenience pursuant to K.S.A. 66-131, the proper focus of the Commission inquiry is as follows: “The public convenience and necessity or lack thereof is best established by proof of the conditions existing in the territory to be served, and it is the province of the public service commission to draw its own conclusions and form its opinion from the proof of the conditions in the territory.” *Central Kansas Power Co. v. State Corporation Commission*, 206 Kan. 670, 677 (1971) (citation omitted). Policy considerations that should be taken into account include whether any resulting competition will be ruinous or publicly beneficial, whether the proposed action will promote adequate and efficient service, and whether the action will unnecessarily duplicate facilities designed for the same purpose in the same area. *Id.* at 677. Consideration of public necessity does not mean that absolute need must be shown; instead, here necessity means “a public need without which the public is inconvenienced to the extent of being handicapped.” *Id.* at 676.

10. The Kansas Supreme Court has also noted that, in evaluating an application for certification, the public convenience should be the Commission's primary concern, the interest of public utility companies already serving the territory its secondary concern, and the desires and solicitations of the applicant a relatively minor

consideration. *Kansas Gas & Electric Co. v. Public Service Corp.*, 122 Kan. 462, 466, 251 Pac. 1097 (1927).

11. The Commission can also reasonably consider the cost and availability of comparable or alternative services to those proposed by the applicant; the financial and technical capability of the applicant; the applicant's experience and performance in providing similar service in other service territories or jurisdictions; and the impact on existing customers and service providers that will result from granting the applicant the certificate requested.²

A. Whether any resulting competition will be ruinous or publicly beneficial.

12. As described above, the Project is being constructed to serve Sunflower member load. The utilities whose certified retail electric territories the Project traverses are all members of Sunflower. They are not providing high-voltage transmission service in the area, and the Project will benefit their distribution systems. The Project will serve those retail electric utilities, not compete with them. Sunflower is the only transmission utility providing high voltage transmission service in this area, so granting Sunflower the requested certificate will not result in any more competition in this area, but instead benefit the public by bolstering transmission service to the area.

B. Whether the action will unnecessarily duplicate facilities designed for the same purpose in the same area.

13. There are no other facilities in the area that serve, or could serve, the same purpose as the Project.

² Order Approving Stipulation & Agreement and Addressing Application of Statutes, at ¶¶ 36-37, Docket No. 07-ITCE-380-COC (filed June 5, 2007).

C. Cost and availability of comparable or alternative services.

14. There is no comparable or alternate service to the Project. The Project has been identified through the local planning process as the least cost option for addressing the reliability issues that exist in the area.

D. Financial and technical capability of Sunflower.

15. Sunflower has a strong financial position to finance the Project. Previously, Sunflower had been restrained from borrowing by its chief lender, the Rural Utilities Service ("RUS"). Because of that restriction, Sunflower built equity to create a safeguard against a major financial event. Sunflower is no longer an RUS borrower, and now currently holds an approximate equity to capitalization level of 55%. Sunflower will not have to borrow any additional funds specifically for the Project. Instead, the Project will be paid for by existing cash reserves.

16. Sunflower and its predecessor in interest has been operating as a certified electric generation and transmission utility in the State of Kansas since 1957. It has always been responsible for providing affordable and reliable electric generation and transmission service to its six members, and currently owns, operates, and maintains approximately 1,205 miles of electric transmission lines across the state. By contract, Sunflower also operates and maintains an additional approximately 1,201 miles of electric transmission lines in Kansas for its sister utility, Mid-Kansas Electric Company, Inc. ("Mid-Kansas"). As a transmission-owning member of the Southwest Power Pool, Inc. ("SPP"), Sunflower additionally provides transmission service over its transmission facilities to various third party wholesale transmission customers. Sunflower has

approximately 400 employees who are dedicated to providing affordable and reliable electric service to its member-owners and third party customers.

17. Sunflower has an internal engineering staff capable of transmission line design, substation design, planning studies, and protection and control studies. Numerous members of this staff are licensed professional engineers in the state of Kansas, and the staff includes various disciplines and work experiences covering civil, mechanical, electrical, protection, and planning specialties. Sunflower has long-term agreements with several external engineering firms for design support as needed, which helps ensure design continuity and consistent design philosophy on Sunflower projects.

18. Sunflower manages transmission construction efforts with a staff of engineers, project managers, supporting office personnel, and field crews consisting of engineering technicians, journey and apprentice linemen, heavy equipment operators, relay technicians, meter technicians, and telecommunication technicians. This team is capable of a wide range of high voltage transmission work ranging from small projects to large substation and transmission line construction projects that include a range of transmission level voltages: 69 kV, 115 kV, 138 kV, 230 kV, and 345 kV. This team's specific construction experience includes the following: clearing; grubbing; grading; fencing; auguring; excavating and backfill; oil containment; drilled pier self-supporting foundations; steel structures and supports; insulators; bus work and fittings; grounding systems; conduit and junction boxes; cable and wire terminations; installation of major equipment, such as large power transformers, reactors, capacitors, oil and SF6 gas circuit breakers, high voltage switches, motor operators, metering, current transformers, voltage transformers, station service AC and DC systems, control enclosures, SCADA

systems, relay and control panels, wave traps and line tuners, fiber optic systems, direct buried structures, self-supporting and guyed structures; right-of-way clearing and access roads; hauling, setting and installing single and multiple pole wood structures; monopole steel structures and steel lattice structures; and stringing, sagging and clipping transmission conductors and static wires. Sunflower complements its internal staff, as needed, with external consultants and constructors.

19. Sunflower has an internal safety department whose primary function is to provide for development, training, and execution of Sunflower's internal safety program. In the transmission department, the safety department provides training to all employees through monthly safety meetings, specialized training, hands-on demonstrations, on-site field visits, and safety audits. In addition, Sunflower initiated a multi-day "safety rodeo," which is held each summer, and brings all operations staff together to discuss pertinent safety matters, attend specialized training sessions conducted by industry experts, and discuss best practices to incorporate across the operations footprint. Field crews conduct daily tailgate sessions to review the day's planned activities, highlight any specific safety procedures required for the day's activities, and review concerns related to the job.

20. From the main control center located in Garden City, Kansas, Sunflower System Operators perform the functions of Generator Operator and Transmission Operator (as those terms are defined in the North American Electric Reliability Corporation ("NERC") Functional Model) for Sunflower and Mid-Kansas generation and transmission assets. Sunflower also has a fully equipped backup control center that can support full operational functionality.

21. In addition, Sunflower has an internal compliance program that is based on FERC's components of effective compliance: the role of senior management in fostering compliance; effective preventive measures to ensure compliance; prompt detection, cessation, and reporting of violations; and remediation efforts. Sunflower's centralized corporate compliance department supports and manages the overall compliance effort by reviewing processes and procedures, providing education on NERC Reliability Standards and requirements, reviewing compliance documentation, preparing for audits, and developing annual self-certifications.

E. Sunflower's experience and performance in providing similar service in other service territories or jurisdictions.

22. As referenced and described above, Sunflower and its predecessor in interest has been operating as a certified electric generation and transmission utility in the State of Kansas since 1957. Since 1957, Sunflower has generally provided transmission service over its transmission facilities to its six members, as well as various third party wholesale transmission customers. As a transmission-owning member of SPP, Sunflower's transmission facilities have been placed under the SPP Open Access Transmission Tariff ("OATT"). Under the SPP OATT, Sunflower provides open access transmission service over its approximate 1,205 miles of transmission line all over Kansas, and has done so since joining SPP in 2007.

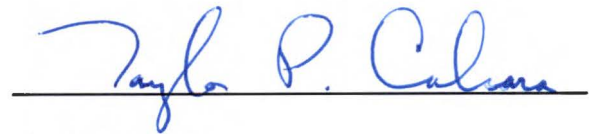
F. Impact on existing customers and service providers that will result from granting Sunflower the certificate requested.

23. The purpose of the Project is to increase reliability and transmission capacity in the area the Project serves. Consequently, existing customers of Sunflower

will receive the benefit of increased transmission reliability and capacity. There are no other transmission service providers in the area.

WHEREFORE, Applicant prays that the Commission (1) issue an Order granting a Transmission Rights Only Certificate of Convenience and Necessity for the territory described in this Application, subject to minor changes due to routing negotiations with landowners; and (2) for such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

A handwritten signature in blue ink, reading "Taylor P. Calcara", is written over a horizontal line.

Taylor P. Calcara, #25561
Mark D. Calcara, #09957
Watkins Calcara, Chtd.
Suite 300, 1321 Main Street
P.O. Drawer 1110
Great Bend, Kansas 67530
(620) 792-8231 telephone
(620) 792-2775 facsimile

**ATTORNEYS FOR SUNFLOWER ELECTRIC
POWER CORPORATION**

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF Ellis) ss:

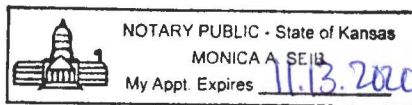
Taylor P. Calcara, of lawful age, being first duly sworn upon his oath, does state:

That he is an attorney for the above-named petitioner; that he has read the above and foregoing Application, and, upon information and belief, states that the matters therein appearing are true and correct.

Taylor P. Calcara
Taylor P. Calcara

SUBSCRIBED AND SWORN to before me this 6 day of August, 2018.

Seal:



Monica A. Seib
Notary Public

My Commission expires: 11.13.2020

Exhibit A

Map of the Project

(Attached)

Exhibit B

Correspondence to Electric Utilities Whose Certified Retail Electric Service Territory Will
be Traversed by the Project

(Attached)



SUNFLOWER ELECTRIC POWER CORPORATION

August 3, 2018

Via: US Mail

Mr. Ed Wiltse
General Manager
Lane-Scott Electric Cooperative, Inc.
410 S High
PO Box 758
Dighton, Kansas 67839

Re: Sunflower Transmission Rights Only CC Application

Dear Ed:

Sunflower Electric Power Corporation hereby provides notice of its plan to construct a new 115 kV electric transmission line in or near your territory in Finney County, Kansas, and includes a copy of the Application for a transmission rights only Certificate of Convenience with the Kansas Corporation Commission.

Attached to the Application as Exhibit A is a map that shows the location of our proposed line and your territory.

Please refer any questions you may have regarding this construction to David Debes at 620-793-1259.

Thank you for your consideration.

Sincerely,

James Brungardt
Manager Regulatory Relations

TPC/mas



SUNFLOWER ELECTRIC POWER CORPORATION

August 3, 2018

Via: US Mail

Mr. Shane Laws
CEO
Victory Electric Cooperative Assn., Inc.
3230 N 14th
Dodge City, Kansas 67801

Re: Sunflower Transmission Rights Only CC Application

Dear Shane:

Sunflower Electric Power Corporation hereby provides notice of its plan to construct a new 115 kV electric transmission line in or near your territory in Gray County, Kansas, and Finney County, Kansas and includes a copy of the Application for a transmission rights only Certificate of Convenience with the Kansas Corporation Commission.

Attached to the Application as Exhibit A is a map that shows the location of our proposed line and your territory.

Please refer any questions you may have regarding this construction to David Debes at 620-793-1259.

Thank you for your consideration.

Sincerely,

James Brungardt
Manager Regulatory Relations

TPC/mas



SUNFLOWER ELECTRIC POWER CORPORATION

August 3, 2018

Via: US Mail

Mr. Bruce Mueller
General Manager
Wheatland Electric Cooperative, Inc.
101 Main St
Scott City, Kansas 67871

Re: Sunflower Transmission Rights Only CC Application

Dear Bruce:

Sunflower Electric Power Corporation hereby provides notice of its plan to construct a new 115 kV electric transmission line in or near your territory in Gray County, Kansas, and Finney County, Kansas and includes a copy of the Application for a transmission rights only Certificate of Convenience with the Kansas Corporation Commission.

Attached to the Application as Exhibit A is a map that shows the location of our proposed line and your territory.

Please refer any questions you may have regarding this construction to David Debes at 620-793-1259.

Thank you for your consideration.

Sincerely,

James Brungardt
Manager Regulatory Relations

TPC/mas