

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

In the Matter of a General Investigation for)
the Purpose of Investigating Whether Annual)
or Periodic Cost/Benefit Reporting by SPP) Docket No. 17-SPPE-117-GIE
and Kansas Electric Utilities that Participate)
in SPP is in the Public Interest.)

**SUPPLEMENTAL COMMENTS OF KANSAS MUNICIPAL ENERGY AGENCY IN
RESPONSE TO REPLY COMMENTS OF COMMISSION STAFF**

COMES NOW, Kansas Municipal Energy Agency (“KMEA”), by and through its counsel, and hereby submits its supplemental comments in response to the Reply Comments of the Kansas Corporation Staff (Staff) filed on May 22, 2017, in response to the Order Opening General Investigation (Order) issued by the Kansas Corporation Commission (Commission) on January 19, 2017.

1. In its Order, the Commission noted that, in Docket No. 14-SPPE-563-SHO, Staff recommended that a general investigation be opened to determine whether annual or periodic reporting by the Southwest Power Pool (SPP) and Kansas utilities participating in SPP regarding whether the costs and benefits to Kansas utilities and ratepayers are in the public interest. Additionally, that investigation would consider what would be included in any required reporting and whether a study of the costs and benefits of participation in SPP should be a part of that reporting.

2. In response to the Order, on April 21, 2017, KMEA filed its initial comments in response to the questions posed in that Order.

3. On May 22, 2017, the Staff provided its Reply Comments in this proceeding. In those Reply Comments, the Staff responded to issues raised by the Commission in its order and in comments filed by other parties. It also posed questions to SPP and Kansas utilities based upon its review of all the comments filed.

4. On June 20, 2017, SPP filed its Reply Comments in this proceeding, to respond to the questions posed in Staff's May 22 filing. In its Reply Comments, SPP has provided additional information for the Commission's consideration on several issues, including (1) the benefits and costs of membership in SPP quantified in existing SPP studies; (2) providing transparency in the calculation of retail ratepayer costs and benefits for all transmission pricing zones serving Kansas retail ratepayers, whether in a new study or existing studies; (3) clarifications with respect to participation in the Integrated Marketplace by SPP members versus non-members; (4) information with respect to the calculation of exit fees for SPP members, including Schedule 11 revenue offsets, and the timing for payment of exit fees; and (5) the necessary services that Kansas utilities would have to alternatively procure should they withdraw from the SPP RTO.

5. KMEA appreciates the additional information provided by SPP in its Reply Comments and trusts it will be useful to both the Commission and Staff to further their understanding of the costs and benefits to Kansas ratepayers of membership by Kansas utilities in SPP.

6. KMEA does not have any additional information to submit in response to the Staff's questions. KMEA continues to believe there is sufficient information already available from SPP and its Kansas utility members for the Commission to determine that participation in SPP is, and will continue to be, in the public interest and that an independent study would not provide sufficient additional information to justify the cost of conducting the study. As the Commission considers whether to conduct a study and what the alternatives for participation in SPP might be, KMEA would request the Commission consider the complexities of such alternatives and whether they are truly appropriate alternatives for Kansas utilities. As participants in the SPP RTO, KMEA's transmission and load are all part of the SPP footprint, and SPP's markets, transmission expansion, and operations are all based upon its entire footprint. As transmission customers, we pay for transmission throughout the footprint, not just at our back door, as transmission expansion facilitates a more efficient energy market.

7. SPP's transmission expansion has helped ensure the success of the IM and resulted in more than \$1B in market savings thus far. Trying to unwind all of that and determine how to function as a utility without being part of the SPP RTO would be complicated and speculative at best. As a transmission-dependent utility, KMEA would not be able to make such a decision unilaterally, as it would be impacted by the decisions of other Kansas utilities and on whose resources and facilities KMEA relies to serve its customers. For us, functioning as part of a Kansas-only RTO or without the benefits of participation in the SPP RTO and the Integrated Marketplace would not be more economical or efficient for KMEA or its customers. KMEA requests that the Commission only consider a study as a last resort, after a thorough review of all the information currently available to it and with a full understanding of the additional information that can be tailored to Kansas utilities from that existing data.

8. Should the Commission determine that an independent study is necessary, KMEA will cooperate with appropriate entities in the conduct of that study and will participate fully to ensure all necessary and appropriate information is provided and included in the study to ensure the best possible results.

WHEREFORE, KMEA respectfully requests the Commission consider its comments in making a determination regarding what, if any, reporting SPP or Kansas utilities should provide to the Commission on the benefits and costs of participation in SPP and in determining whether an independent study is necessary to determine those costs and benefits.

Respectfully submitted,



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VERIFICATION

STATE OF KANSAS)

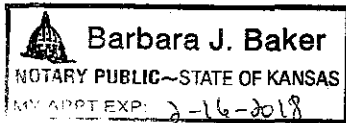
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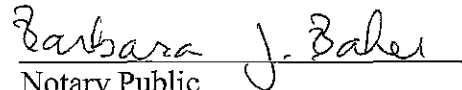
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I, W. Robert Alderson, being FIRST duly sworn upon my oath, state that I am counsel to Kansas Municipal Energy Agency, that I have read the foregoing Supplemental Comments of Kansas Municipal Energy Agency and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.


W. Robert Alderson

Subscribed and sworn to me this 21ST day of June, 2017.




Notary Public

My Commission Expires:

2-16-2018

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served via electronic service on June 21, 2017, to the following:

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