

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

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

In the Matter of the Application of Mid-Kansas)
Electric Company, LLC for a Certificate of)
Convenience and Authority to Transact the)
Business of an Electric Public Utility in the)
State of Kansas. Transmission Rights Only,)
Crossing the Certified Territories of Wheatland) Docket No. 17-MKEE-450-COC
Electric Cooperative, Inc., Ninnescah Rural)
Electric Cooperative Assn., Inc., City of)
Anthony, and Sumner-Cowley Electric)
Cooperative, Inc. See Attached Map and)
Description Below for Section, Township and)
Range Locations.)

**ORDER GRANTING CERTIFICATE OF CONVENIENCE AND AUTHORITY FOR
TRANSMISSION RIGHTS ONLY**

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 April 5, 2017, Mid-Kansas Electric Company, LLC (Mid-Kansas) filed an Application requesting a Certificate of Convenience and Authority (Certificate) for Transmission Rights Only along the route of a new 138 kV transmission line proposed to be constructed in Kingman, Harper and Sumner Counties.

2. The proposed transmission line is approximately 75 miles in length and Mid-Kansas contends transmission rights are necessary because the route of the line is proposed to be constructed in areas certificated to Wheatland Electric Cooperative, Inc., Ninnescah Rural

Electric Cooperative Assn., Inc., the City of Anthony, Kansas, and Sumner-Cowley Electric Cooperative, Inc. Consequently, Mid-Kansas requests a Certificate for transmission rights only to transact the business of an electric public utility within the territory described in Attachment 1 of Commission Staff's Report and Recommendation.

3. On May 17, 2017, the Commission Staff (Staff) submitted its Report and Recommendation dated May 15, 2017, recommending the Commission grant Mid-Kansas' Application and issue the company a Certificate for Transmission Rights Only.

II. LEGAL STANDARDS

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, RESA allows it to extend distribution or transmission facilities through the territory of another supplier provided the supplier building through the territory only uses the proposed line to serve its own certificated customers.

5. The Commission has authority to grant a Certificate of any public utility seeking to transact business in the State of Kansas.¹ The statutory standard of review in this matter is whether the public convenience will be promoted by the proposed project and by permitting Mid-Kansas to transact the business of a common carrier or public utility.²

6. Staff confirms that the above-referenced electric suppliers have been provided notice and Staff has received no objection or comment in response to Mid-Kansas' filing.

7. Staff has reviewed Mid-Kansas' Application and confirms that the legal description included in Mid-Kansas' Application is accurately depicted on the map attached to

¹ K.S.A. 66-131

² Id.

the Application. Staff also confirms that the legal description is not in conflict with the Commission's Certificate records.³

III. FINDING AND CONCLUSION

8. The Commission adopts Staff's analysis and recommendation of May 15, 2017, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that Mid-Kansas' Application should be granted, and that the public interest will be promoted by issuing Mid-Kansas the requested Certificate.

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

A. The Application filed by Mid-Kansas Electric Company, LLC (Mid-Kansas) on April 5, 2017 is granted and a Certificate of Convenience and Authority for transmission rights only is hereby issued to Mid-Kansas for the transmission of business as an electric public utility in the territory and to the extent described in Mid-Kansas' Application.

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 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).

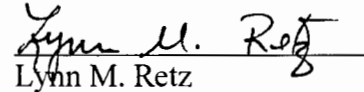
C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders, as it may deem necessary.

³ The legal description of the proposed Transmission Line Route is included in Attachment I to Staff's Report and Recommendation.

BY THE COMMISSION IT IS SO ORDERED AND CERTIFICATED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: MAY 23 2017


Lynn M. Retz
Secretary to the Commission

sls

Order Mailed Date

MAY 24 2017

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairman Pat Apple
Commissioner Shari Feist Albrecht
Commissioner Jay Scott Emler

FROM: Gary Dawdy, Utility Engineer II
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: May 15, 2017

SUBJECT: 17-MKEE-450-COC

In the Matter of the Application of Mid-Kansas Electric Company, LLC for Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas. Transmission Rights Only, Crossing the Certified Territories of Wheatland Electric Cooperative, Inc., Ninnescah Rural Electric Cooperative Assn., Inc., City of Anthony, and Sumner-Cowley Electric Cooperative, Inc. See Attached Map and Description below for Section, Township and Range Locations.

BACKGROUND:

On April 5, 2017, Mid-Kansas Electric Company, LLC (Mid-Kansas) filed the above-captioned Application requesting a Certificate for Transmission Rights Only along the route of a new 138 kV transmission line proposed to be constructed in Kingman, Harper and Sumner Counties. The line is approximately 75 miles in length. Mid-Kansas contends transmission rights are necessary because the route of the line is proposed to be constructed in areas certificated to Wheatland Electric Cooperative, Inc.; Ninnescah Rural Electric Cooperative Assn., Inc.; City of Anthony, Kansas; and Sumner-Cowley Electric Cooperative, Inc. Notice has been provided to the above-referenced electric suppliers and Staff has received no objection or comment regarding the filing.

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, RESA allows it to extend distribution or transmission facilities through the territory of another supplier provided the supplier building through the territory only uses the proposed line to serve its own certificated customers.

The Commission has authority to grant a certificate of convenience and necessity to any public utility seeking to transact business in the State of Kansas.¹

The statutory standard of review in this matter is whether the public convenience will be promoted by the transaction of the proposed project and by permitting the Applicants to transact the business of a common carrier or public utility.²

The new line, which is the subject of this filing, is being constructed to interconnect a new substation near Rago, Kansas, to the existing Viola Substation near Midan, Kansas.

The Harper to Milan 138kV Project originated from a High Priority Incremental Load Study (HPILS) conducted by Southwest Power Pool (SPP) in May of 2014. The HPILS is a specialized study within SPP that was created to meet the growing demand for otherwise unserved loads primarily related to oil and gas development activity in southern Harper and Sumner Counties. This is an area being served by long radial stretches of sub-transmission at the 34.5 kV voltage level that has very limited capacity in that area.

Based on the results of the HPILS, SPP identified the need for several transmission projects and issued multiple Notice to Construct (NTC), including another project south of Harper. In addition to the on-going needs identified in the SPP study, the current version of the project serves several other benefits for the area. For MKEC, the project accomplishes the following:

- provides transmission service to currently unserved member loads in the area (including the remaining loads identified in the HPILS);
- reduces costs by eliminating future transmission reliability projects east of Harper to Clearwater;
- provides firm transmission service to the City of Anthony, Kansas (KMEA customer); and
- provides a significantly more robust transmission solution for the area with an interconnection to a Westar Energy 345 kV transmission line.

ANALYSIS:

Staff has reviewed Mid-Kansas' Application and has confirmed the legal description included in the Application is accurately depicted on the map attached to the Application. Staff also confirmed the legal description is not in conflict with the Commission's Certificate records. The legal description is included as Attachment 1 to this Report and Recommendation.

Based on the above information and having received no objection from the noticed certificated utilities whose territory the proposed line will pass through, Staff recommends that the Commission find that public convenience will be promoted by the granting of this Application.

The Commission action date is October 2, 2017.

¹ K.S.A. 66-131.

² K.S.A. 66-131.

RECOMMENDATION:

Staff is recommending Mid-Kansas' Application for Certificate in 17-MKEE-450-COC be granted for Transmission Rights Only.

ATTACHMENT 1
Legal Description of Proposed Transmission Line Route
17-MKEE-450-COC

Transmission Rights Only

1. Rago-Harper

- a. County: Kingman
- b. Section/Township/Range-Quarter:
 - i. T30S R7W S3 – SW
 - ii. T30S R7W S4 – SE
 - iii. T30S R7W S9 - NE, SE
 - iv. T30S R7W S16 - NE, SE
 - v. T30S R7W S21 - NE, SE
 - vi. T30S R7W S22 – SW
 - vii. T30S R7W S27 - NW, SW
 - viii. T30S R7W S34 - NW, SW
- c. County: Harper
- d. Section/Township/Range-Quarter:
 - i. T31S R7W S3 - NW, SW
 - ii. T31S R7W S10 - NW, SW
 - iii. T31S R7W S15 - NW, SE, SW
 - iv. T31S R7W S22 - NE, SE
 - v. T31S R7W S26 - NW, SE, SW
 - vi. T31S R7W S27 – NE
 - vii. T31S R7W S35 - NE, SE
 - viii. T32S R7W S1 – SW
 - ix. T32S R7W S2 - NE, SE

2. Harper-Anthony GOAB

- a. County: Harper
- b. Section/Township/Range-Quarter:
 - i. T32S R7W S1 – SW
 - ii. T32S R7W S2 - SE, SW
 - iii. T32S R7W S10 - NE, SE
 - iv. T32S R7W S11 - NW, SW
 - v. T32S R7W S13 - SE, SW
 - vi. T32S R7W S14 - NW, SE, SW
 - vii. T32S R7W S15 - NE, SE
 - viii. T32S R7W S24 - NE, NW, SE, SW
 - ix. T32S R7W S25 - NE, NW, SE, SW
 - x. T32S R7W S36 - NE, NW, SE, SW
 - xi. T33S R6W S7 - NE, NW, SE, SW
 - xii. T33S R6W S8 - NW, SW
 - xiii. T33S R6W S17 - NW, SW
 - xiv. T33S R6W S18 - NE, SE
 - xv. T33S R6W S19 - NE, SE
 - xvi. T33S R6W S20 - NW, SW
 - xvii. T33S R6W S29 - NW, SW
 - xviii. T33S R6W S32 – NW
 - xix. T33S R7W S1 - NE, NW, SE, SW
 - xx. T33S R7W S12 - NE, NW, SE, SW

3. Anthony GOAB-Bluff Creek

a. County: Harper

b. Section/Township/Range-Quarter:

- i. T33S R6W S31 - NE, SE
- ii. T33S R6W S32 - NW, SW
- iii. T34S R5W S29 - SE, SW
- iv. T34S R5W S30 - SE, SW
- v. T34S R5W S32 - NE
- vi. T34S R6W S5 - NW, SW
- vii. T34S R6W S6 - NE, SE
- viii. T34S R6W S7 - NE, SE
- ix. T34S R6W S8 - NW, SW
- x. T34S R6W S18 - NE, SE
- xi. T34S R6W S19 - NE, SE
- xii. T34S R6W S25 - SE, SW
- xiii. T34S R6W S26 - SE, SW
- xiv. T34S R6W S27 - SE, SW
- xv. T34S R6W S28 - SE, SW
- xvi. T34S R6W S29 - NW, SE, SW
- xvii. T34S R6W S30 - NE

4. Bluff Creek-Caldwell GOAB

a. County: Harper

b. Section/Township/Range-Quarter:

- i. T34S R5W S32 - NE
- ii. T34S R5W S33 - NW, SE, SW
- iii. T34S R5W S34 - SE, SW
- iv. T34S R5W S35 - SW
- v. T35S R5W S1 - NE, NW
- vi. T35S R5W S2 - NE, NW

c. County: Sumner

d. Section/Township/Range-Quarter:

- i. T34S R3W S27 - SW
- ii. T34S R3W S28 - SE, SW
- iii. T34S R3W S29 - SE
- iv. T34S R3W S31 - NE, NW, SE, SW
- v. T34S R3W S32 - NE, NW, SE, SW
- vi. T34S R4W S33 - SW, SE
- vii. T34S R4W S34 - NE, NW, SE, SW
- viii. T34S R4W S35 - NE, NW, SE, SW
- ix. T34S R4W S36 - NE, NW, SE, SW
- x. T35S R4W S3 - NW
- xi. T35S R4W S4 - NE, NW
- xii. T35S R4W S5 - NE, NW
- xiii. T35S R4W S6 - NE, NW

5. Caldwell GOAB-Milan GOAB

a. County: Sumner

b. Section/Township/Range-Quarter:

- i. T32S R3W S18 - SE, SW
- ii. T32S R3W S19 - NE, NW, SE, SW
- iii. T32S R3W S29 - SW
- iv. T32S R3W S30 - NE, NW, SE, SW
- v. T32S R3W S31 - NE, NW, SE
- vi. T32S R3W S32 - NW, SW
- vii. T33S R3W S3 - SW
- viii. T33S R3W S4 - SE, SW
- ix. T33S R3W S5 - NW, SE, SW
- x. T33S R3W S6 - NE, SE
- xi. T33S R3W S7 - NE
- xii. T33S R3W S8 - NE, NW
- xiii. T33S R3W S9 - NE, NW, SE
- xiv. T33S R3W S10 - NW, SW
- xv. T33S R3W S15 - NW, SW
- xvi. T33S R3W S16 - NE, SE
- xvii. T33S R3W S21 - NE, SE
- xviii. T33S R3W S22 - NW, SW
- xix. T33S R3W S27 - NW, SW
- xx. T33S R3W S28 - NE, SE
- xxi. T33S R3W S33 - NE, SE
- xxii. T33S R3W S34 - NW, SW
- xxiii. T34S R3W S3 - NW, SW
- xxiv. T34S R3W S4 - NE, SE
- xxv. T34S R3W S9 - NE, SE
- xxvi. T34S R3W S10 - NW, SW
- xxvii. T34S R3W S15 - NW, SW
- xxviii. T34S R3W S16 - NE, SE
- xxix. T34S R3W S21 - NE, SE
- xxx. T34S R3W S22 - NW, SW
- xxxi. T34S R3W S27 - NW, SW
- xxxii. T34S R3W S28 - NE, SE

6. Milan GOAB-Viola

a. County: Sumner

b. Section/Township/Range-Quarter:

- i. T31S R3W S19 - SE, SW
- ii. T31S R3W S30 - NE, NW, SE, SW
- iii. T31S R3W S31 - NE, NW, SE, SW
- iv. T32S R3W S6 - NE, NW, SE, SW
- v. T32S R3W S7 - NE, NW, SE, SW
- vi. T32S R3W S18 - NE, NW, SE, SW

CERTIFICATE OF SERVICE

17-MKEE-450-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 MAY 23 2017.

ATTN: CITY CLERK
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/S/ DeeAnn Shupe
DeeAnn Shupe

Order Mailed Date

MAY 24 2017