

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

Before Commissioners: Susan Duffy, Chair
Dwight D. Keen
Andrew J. French

In the Matter of the Application of Evergy)
Kansas Central, Inc. for Authority to Cease)
transacting the business of an Electric Public) Docket No. 20-EKCE-353-CCS
Utility specifically, in Section 21, Township)
07 South, Range 09 East in Pottawatomie)
County, Kansas)

ORDER GRANTING APPLICATION

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its pleadings and records, the Commission makes the following findings:

I. Background

1. On February 12, 2020, Evergy Kansas Central, Inc. (Evergy) filed an Application seeking approval of the Commission to cease operating as an electric utility in a small tract of certified territory in Pottawatomie County.¹ In Docket 20-BECE-465-COC, Bluestem Electric Cooperative, Inc. (Bluestem) is requesting a Certificate for this tract of territory. On June 22, 2020, Evergy filed an Amended Application in which it corrected the legal description of the subject territory.²

2. The territory that Evergy wishes to cease servicing is described below:

POTTAWATOMIE COUNTY, KANSAS

The tract of land is located in the NW ¼ of the NE ¼, Section 21, T-07S, R-09E in Pottawatomie, KS.

¹ Application of Evergy Kansas Central, Inc. (Feb. 12, 2020) (Application).

² Amended Application of Evergy (Jun. 22, 2020) (Amended Application).

3. Commission Staff analyzed the Application and submitted a Report and Recommendation (R&R) on July 14, 2020, in which Staff recommended the Commission approve Evergy's request to cease servicing the territory described in paragraph 2, above.³ Staff's R&R is attached hereto as Attachment A.

4. Bluestem certified territory is adjacent to the territory described in paragraph 2.⁴ To serve this customer, Evergy would have to build approximately 3300 feet of single-phase line.⁵ Bluestem has a single-phase line located approximately 500 feet west of the customer's building location.⁶

5. Evergy believes the maintenance and construction costs to serve this customer would not be recovered from the amount of electricity the customer's residential house would use.⁷ Supplying electricity to this customer would therefore be a sunken cost, but allowing Bluestem to serve the customer would prevent that loss. Evergy and Bluestem have mutually agreed that Bluestem should serve as this customer's electric provider, subject to Commission approval.⁸

II. Legal Standards and Discussion

8. K.S.A. 66-1,170 *et seq.*, the Retail Electric Suppliers Act, 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.⁹

9. The Commission is given full power, authority and jurisdiction to supervise and control the electric public utilities, as defined in K.S.A. 66-101a, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and

³ Staff's Report and Recommendation (Jul. 14, 2020) (R&R).

⁴ R&R at 2.

⁵ *Id.*

⁶ *Id.*

⁷ Amended Application at ¶ 3.

⁸ *Id.* at ¶ 4.

⁹ K.S.A. 66-1,172.

jurisdiction.¹⁰ Accordingly, the Commission has the power to grant an Application to Cease Service if it is necessary and convenient to supervise and control the electric public utilities.

10. Staff reviewed Evergy's Application and has confirmed the legal description included is accurately depicted on the map attached to the Application.¹¹ Staff also confirmed the legal description does not conflict with the Commission's Certificate Records.¹²

11. Staff recommends that the Commission find that the Application is granted and that public convenience will be promoted by the granting of this Application.¹³

THEREFORE, THE COMMISSION ORDERS:

A. Evergy's Application is granted pursuant to K.S.A. 66-131.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹⁴

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Keen, Commissioner; French, Commissioner

Dated: 07/30/2020



Lynn M. Retz
Executive Director

CRM

¹⁰ K.S.A. 66-101.

¹¹ R&R at 2.

¹² *Id.*

¹³ *Id.*

¹⁴ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

ATTACHMENT “A”

1500 SW Arrowhead Road
Topeka, KS 66604-4027



Phone: 785-271-3100
Fax: 785-271-3354
<http://kcc.ks.gov/>

Susan K. Duffy, Chair
Dwight D. Keen, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Susan K. Duffy
Commissioner Dwight D. Keen
Commissioner Andrew J. French

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

DATE: July 14, 2020

SUBJECT: 20-EKCE-353-CCS
In the Matter of the Application of Evergy Kansas Central, Inc. for Authority to Cease transacting the business of an Electric Public Utility specifically, in Section 21, Township 07 South, Range 09 East in Pottawatomie County, Kansas.

20-BECE-465-COC
In the Matter of the Application of Bluestem Electric Cooperative, Inc. for a Certificate of Public Convenience and Authority to Transact the Business of an Public Utility in the State of Kansas.
A portion of Section 21, Township 07 South, Range 09 East, in Pottawatomie County, Kansas.

EXECUTIVE SUMMARY:

In Docket 20-EKCE-353-CCS, Evergy Kansas Central, Inc. (Evergy) is seeking approval of the Commission to cease operating as an electric utility in a small tract of certified territory in Pottawatomie County. In Docket 20-BECE-465-COC, Bluestem Electric Cooperative, Inc. (Bluestem) is requesting a Certificate for this tract of certified territory.

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

[REDACTED]

BACKGROUND:

On February 12, 2020, Evergy filed the above-captioned Application to Cease in Docket No. 20-EKCE-353-COC. On May 12, 2020, FreeState filed the above-captioned Application for a Certificate in Docket No. 20-BECE-465-COC.

Bluestem certified territory is adjacent to the territory described above. To serve this new customer Evergy would have to build approximately 3300 feet of single-phase line. Bluestem has a single-phase line located approximately 500 feet west of the building location.

Evergy believes the maintenance and construction cost for Evergy service would not be recovered from the amount of electricity the new resident would use. Evergy and Bluestem have mutually agreed, subject to the Commission's approval, that Bluestem should serve as the electric provider in the territory described above.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.

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.²

ANALYSIS:

Staff has reviewed both Applications and has confirmed the legal descriptions included in both Applications are accurately depicted on the map attached to each Application. Staff also confirmed the legal description is not in conflict with the Commission's Certificate records. The legal description is included as Attachment A to this Report and Recommendation.

Staff recommends that the Commission find that public convenience will be promoted by the granting of this Application.

The Commission action date is August 10, 2020.

RECOMMENDATION:

Staff recommends that the Commission grant these Applications and find that public convenience will be promoted by this transaction. Upon approval, the updated territory descriptions will be reflected in the Commission's certified territory map.

¹ K.S.A. 66-1,175

² K.S.A. 66-131

ATTACHMENT A
Legal Description of Territory Trade Between
Evergy Kansas Central, Inc. and Bluestem Electric Cooperative, Inc.
Docket No. 20-EKCE-353-CCS and 20-BECE-465-COC

POTTAWATOMIE COUNTY, KANSAS

The Northwest 1/4 of the Northeast 1/4, Section 21, Township 07 South, Range 09 East, in
Pottawatomie County, Kansas.

CERTIFICATE OF SERVICE

20-EKCE-353-CCS

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 07/30/2020.

THAD DONNELLY
BLUESTEM ELECTRIC COOPERATIVE, INC.
614 US 24
WAMEGO, KS 66547
Fax: 785-456-2003

CATHRYN J. DINGES, CORPORATE COUNSEL
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@evergy.com

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
c.masenthin@kcc.ks.gov

/S/ DeeAnn Shupe

DeeAnn Shupe