

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

In the Matter of the Joint Application of )  
Sunflower Electric Power Corporation and )  
Prairie Land Cooperative, Inc., for Approval of ) Docket No. 25-SEPE-035-CON  
the City of Herndon Firm Energy, Capacity, )  
and Load Following Agreement )

**NOTICE OF FILING OF STAFF'S  
REPORT AND RECOMMENDATION (PUBLIC)**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission,” respectively), and files the instant Report and Recommendation (“R&R”) regarding the Joint Application of Sunflower Electric Power Corporation (“Sunflower”) and Prairie Land Electric Cooperative, Inc. (“Prairie Land”) for Approval of the Firm Energy, Capacity, and Load Following Agreement (“Agreement”) by and between Sunflower, Prairie Land, and The City of Herndon (“Herndon”).

Based on its analysis of the Joint Application, Staff believes that the proposed Agreement will benefit Sunflower, Prairie Land, and Herndon by retaining the City’s load, lowering Sunflower Member costs, and reducing electricity rates, respectively. Therefore, Staff recommends the Commission find the same and approve the Agreement.

Because the Staff Report and Recommendation contains confidential commercial information pertaining to certain portions of the Agreement, Staff has elected to file both a confidential and public version of the Report and Recommendation in accordance with K.S.A. 66-1220a.

WHEREFORE, Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

*/s/ Carly R. Masenthin*

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Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

Laura Kelly, Governor

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**Public Version**

**\*\* \_\_ \*\* Denotes Confidential Information**

**TO:** Andrew J. French, Chairperson  
Dwight D. Keen, Commissioner  
Annie Kuether, Commissioner

**FROM:** Daniel Buller, Regulatory Auditor  
Chad Unrein, Chief of Accounting and Financial Analysis  
Justin Grady, Deputy Director of Utilities  
Jeff McClanahan, Director of Utilities

**DATE:** November 12, 2024

**SUBJECT:** Docket No. 25-SEPE-035-CON – In the Matter of the Joint Application of Sunflower Electric Power Corporation and Prairie Land Electric Cooperative, Inc., for Approval of the City of Herndon Firm Energy, Capacity, and Load Following Agreement.

**EXECUTIVE SUMMARY:**

On July 1, 2024, Sunflower Electric Power Corporation (Sunflower) submitted an Application to the Kansas Corporation Commission (Commission) requesting approval of the Firm Energy, Capacity, and Load Following Agreement (Agreement) between Sunflower, Prairie Land Electric Cooperative, Inc. (Prairie Land) and the City of Herndon, Kansas (Herndon or City). Staff performed an analysis to ascertain the benefits that the proposed Agreement would provide to Sunflower, Prairie Land and Herndon, if approved. As a result of this analysis, Staff concluded that the proposed Agreement will ultimately benefit all the parties involved and, therefore, recommends Commission approval of the Agreement.

**BACKGROUND:**

Sunflower and Prairie Land, as cooperatives, have elected to be exempt from the jurisdiction, regulation, supervision and control of the Commission pursuant to K.S.A. 66-104d(f). However, according to this statute, a self-regulated cooperative remains subject to the regulation of the Commission for sales of power for resale to non-member-owners. Since Herndon is not a member-owner, this aspect of the proposed Agreement falls under the jurisdiction of the Commission.

The current Firm Energy, Capacity, and Load Following Agreement between Prairie Land and Herndon was entered into on December 18, 2013, and is set to expire on December 31, 2024. Prairie Land began billing Herndon at the lower proposed agreement rate on June 1, 2024, to avoid owing Herndon a credit for services provided, per Section 3.1 of the proposed agreement. The proposed Herndon Agreement in the present Docket will supersede the current Agreement for the City, if approved.<sup>1</sup>

\*\* [Redacted]

**ANALYSIS:**

Staff performed an analysis to determine how the proposed Agreement would benefit Sunflower, Prairie Land and Herndon. \*\* [Redacted]

Sunflower provided Staff (via discovery response) with a bar chart (shown below) that depicts Sunflower’s minimum capacity requirement and its annual capacity positions through 2033 (with 2023 being actual and 2024 through 2033 being forecasted). \*\* [Redacted]

THE FOLLOWING CHART IS CONFIDENTIAL

<sup>1</sup> See Section 6.1 in the proposed Herndon Agreement included in the Application for the proposed rates.

<sup>2</sup> \*\* [Redacted]

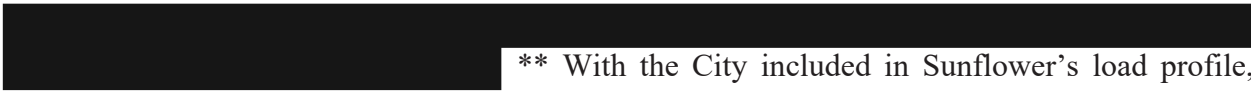


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By continuing to provide service to Herndon, the City will remain in Sunflower's load profile. \*\*



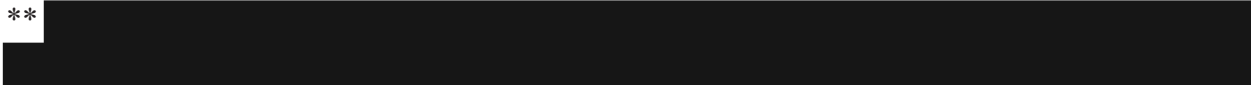
\*\* With the City included in Sunflower's load profile, Sunflower can spread its fixed costs over a larger load, resulting in lower costs to the Members and non-Members who utilize Sunflower's WHM tariff.

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**RECOMMENDATION:**

Based on its analysis, Staff believes that the proposed Agreement will benefit Sunflower, Prairie Land, and Herndon by retaining the City's load, lowering Sunflower Member costs, and reducing electricity rates, respectively. Therefore, Staff recommends the Commission find the same and approve the Agreement.

## **CERTIFICATE OF SERVICE**

25-SEPE-035-CON

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation (Public) was served via electronic service this 12th day of November, 2024, to the following:

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**CERTIFICATE OF SERVICE**

25-SEPE-035-CON

*Ann Murphy*

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