

**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 Victory)
Electric Cooperative Association, Inc. Seeking)
Commission Approval to Update Its Local)
Access Delivery Service Tariff Pursuant to the) Docket No. 17-VICE-481-TAR
34.5kV Formula Based Rate Plan Approved in)
Docket No. 16-MKEE-023-TAR.)
)

ORDER APPROVING APPLICATION

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the file and records, and being properly advised, the Commission finds:

I. Background

1. On May 1, 2017, Victory Electric Cooperative Association, Inc. (Victory) filed an Application for the purpose of updating its Local Access Delivery Service (LADS) tariff.¹ Victory seeks to implement an increase to the LADS demand charge assessed on the wholesale users of its 34.5kV system from \$2.99 per kW to \$3.16 per kW in accordance with the 34.5 kV Formula Based Rate Plan approved in Docket No. 16-MKEE-023-TAR.²

2. On May 5, 2017, the Kansas Electric Power Cooperative, Inc. noted its participation in this docket through the filing of William G. Riggins' Entry of Appearance.³

¹ Docket No. 17-VICE-481-TAR, Application (May 1, 2017).

² Id. at p. 1.

³ Docket No. 17-VICE-481-TAR, William G. Riggins Entry of Appearance on Behalf of Kansas Electric Power Cooperative, Inc. (May 5, 2017).

3. On August 29, 2017, Commission Staff (Staff) filed its Report and Recommendation.⁴ Staff recommended that the Commission approve Victory's proposed monthly LAC rate of \$3.16 per kW-month.⁵ Staff noted that the Application's proposed rate increase of 5.7% was largely caused by increases in transmission plant depreciation expense, other deductions, and principal payments from the 16-VICE-494-TAR Docket to this present docket.⁶

4. Staff also recommended additional disallowances of 50% of an expense related to an annual subscription, 100% of expenses related to promotional mailings, and an additional 50% of expenses related to sponsorship were appropriate.⁷ However, Staff noted these adjustments would not have any effect on the final revenue requirement and, consequently, no effect on the final LAC rate.⁸

II. Findings and Conclusions

5. The Commission finds that there is an ample record from which to make a decision. Victory filed the Direct Testimony of Elena E. Larson and Shane Laws in support of its Application. Staff filed its Report and Recommendation in support of the Application.

6. The Commission finds that the terms of the Application, and specifically, the demand charge assessed on wholesale users of Victory's 34.5 kV system are in conformity with the just and reasonable standard. The Commission has reviewed Staff's recommended disallowances and finds them to be appropriate. Therefore, the Commission finds the Application should be approved.

⁴ Docket No. 17-VICE-481-TAR, Notice of Filing of Staff's Report and Recommendation (Aug. 29, 2017).

⁵ *Id.* at p. 2.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

THEREFORE, THE COMMISSION ORDERS:

- A. The Application is approved.
- B. The parties have 15 days from the date of the electronic service of this Order to petition for reconsideration.⁹
- C. The Commission retains jurisdiction over the subject matter and the parties for the purpose for entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner.

Dated: SEP 14 2017



Lynn M. Retz
Secretary to the Commission

SF

EMAILED

SEP 14 2017

⁹ K.S.A. 66-118b; K.S.A. 77-529(a)(1).

CERTIFICATE OF SERVICE

17-VICE-481-TAR

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on SEP 14 2017.

GLEND A CAFER, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
Fax: 785-233-3040
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
Fax: 785-233-3040
terri@caferlaw.com

SAMUEL FEATHER, DEPUTY GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
s.feather@kcc.ks.gov

JAKE FISHER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
j.fisher@kcc.ks.gov

MARK DOLJAC, DIR RATES AND REGULATION
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4888
mdoljac@kepco.org

WILLIAM G. RIGGINS, GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4884
briggins@kepco.org

ELENA LARSON, RATE AND FINANCIAL ANALYST
POWER SYSTEM ENGINEERING, INC.
3321 SW 6TH AVE
TOPEKA, KS 66606
larsone@powersystem.org

SHANE LAWS, CEO
VICTORY ELECTRIC COOPERATIVE ASSN., INC.
3230 N 14TH ST
PO BOX 1335
DODGE CITY, KS 67801-1335
Fax: 620-227-8819
shane@victoryelectric.net

ANGELA UNRUH
VICTORY ELECTRIC COOPERATIVE ASSN., INC.
3230 N 14TH ST
PO BOX 1335
DODGE CITY, KS 67801-1335
Fax: 620-227-8819
angela@victoryelectric.net

EMAILED

SEP 14 2017

/S/ DeeAnn Shupe
