

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

In the Matter of the Application of FreeState)
Electric Cooperative, Inc. for a Certificate of) Docket No. 17-FSEE-491-COC
Convenience and Authority to Transact the)
Business of an Electric Public Utility in the State)
of Kansas.)

**NOTICE OF FILING OF STAFF'S
REPORT AND RECOMMENDATION**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), and files its Report and Recommendation (R&R) dated May 24, 2017, attached hereto and made a part hereof by reference. Staff recommends the Commission approve the Application for Certificate of Convenience filed by FreeState Electric Cooperative, Inc. in 17-FSEE-491-COC and Westar Energy's Cease Application filed in 17-WSEE-509-CCS and find that the public convenience will be promoted by this transaction.

WHEREFORE, Staff submits it's Report and Recommendation for Commission review and consideration, and for such other relief as the Commission deems just and proper.

Respectfully submitted,

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Pat Apple, Chairman
Shari Feist Albrecht, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

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 24, 2017

SUBJECT: 17-WSEE-509-CCS
In the Matter of the Application of Westar Energy, Inc. to Cease Transacting the Business of an Electric Public Utility, Specifically in Portions of Sections 23 and 26, Township 13 South, Range 17 East, In Douglas County, Kansas.

17-FSEE-491-COC
In the Matter of the Application of FreeState Electric Cooperative, Inc. for a Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility in the State of Kansas.
Douglas County SW 1/4 of Section 23 and NW 1/4 of Section 26 Township 13 South Range 17 East

EXECUTIVE SUMMARY

Westar Energy, Inc. (Westar) and FreeState Electric Cooperative, Inc. (FreeState) are proposing to exchange approximately one-half section of electric territory located in Douglas County. The two electric suppliers have agreed to exchange this territory to better serve the needs of a customer providing service to a water pump. There are currently no existing customers located in the area being exchanged. FreeState is better positioned to provide future electric service in the immediate vicinity of the affected customer.

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

BACKGROUND:

On May 8, 2017, FreeState filed an Application for a Certificate of Convenience in Docket No. 17-FSEE-491-COC. On May 18, 2017, Westar filed a Companion Application to Cease in Docket No. 17-WSEE-509-CCS.

The Commission has jurisdiction to grant a Certificate to any public utility seeking to transact business in the State of Kansas.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. Notwithstanding the mandated single electric provider service territories, RESA also provides that retail electric suppliers can enter into agreements to amend boundaries between their facilities. The agreements are filed in the form of Certificates and, if approved by the Commission, Certificates to amend territory are issued.

The Kansas Department of Wildlife and Parks has requested service for a new flood pump. This is a marginal load and the service location is in a remote area in the flood plain of Clinton Reservoir. The water pump will be used to flood a marsh for duck habitat. The two utilities agree that FreeState is better positioned to serve this area and Wildlife and Parks has applied for electric service from FreeState.

ANALYSIS:

Staff has reviewed the Applications and determined that the legal descriptions and maps provided with the Applications are accurate. Staff has also confirmed that the legal descriptions are not in conflict with the Commission's Certificate records. The proposed revision to the affected territories legal description is included as Attachment 1 to this Report and Recommendation.

RECOMMENDATION:

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

The Commission action date is November 4, 2017.

¹ K.S.A. 66-131

ATTACHMENT 1
Legal Description Territory Trade
FreeState Electric Cooperative, Inc. and Westar Energy, Inc.
Docket Nos. 17-FSEE-491-COC and 17-WSEE-509-CCS

DOUGLAS COUNTY

The Southwest 1/4 of Section 23, Township 13 South, Range 17 East and the Northwest 1/4 of Section 26, Township 13 South, Range 17 East; as detailed on the map in the application.

CERTIFICATE OF SERVICE

17-FSEE-491-COC


I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served via electronic service this 26th day of May, 2017, to the following:

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