

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

In the Matter of the Joint Application of)
Sunflower Electric Power Corporation and)
Lane-Scott Electric Cooperative, Inc., for) Docket No. 25-SEPE-284-CON
Approval of the City of Dighton 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 Lane-Scott Electric Cooperative, Inc. ("Lane") for approval of the Firm Energy, Capacity, and Load Following Agreement ("Agreement") by and between Sunflower, Lane, and the City of Dighton ("Dighton").

Based on its analysis of the Joint Application, Staff determined that the proposed Agreement would benefit Sunflower, Lane, and Dighton 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.

Staff's Report and Recommendation contains confidential commercial information pertaining to certain portions of the Agreement; therefore, 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 submit their Report and Recommendation for Commission consideration and for such other relief as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Patrick J. Hurley

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**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: May 21, 2025

SUBJECT: Docket No. 25-SEPE-284-CON – In the Matter of the Joint Application of Sunflower Electric Power Corporation and Lane-Scott Electric Cooperative, Inc., for Approval of the City of Dighton Firm Energy, Capacity, and Load Following Agreement.

EXECUTIVE SUMMARY:

On January 21, 2025, 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, Lane-Scott Electric Cooperative, Inc. (Lane-Scott) and the City of Dighton, Kansas (“Dighton” or “City”). Staff performed an analysis to ascertain the benefits that the proposed Agreement would provide to Sunflower, Lane-Scott and Dighton, 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 Lane-Scott, 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 Dighton 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 Lane-Scott and Dighton was entered into in 2014 and is set to expire on December 31, 2024. Lane-Scott began billing Dighton at the lower proposed agreement rate on January 1, 2025, to avoid owing Dighton a credit for services provided, per Section 3.1 of the proposed agreement. The proposed Dighton Agreement in the present Docket will supersede the current Agreement for the City, if approved.¹

** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **

ANALYSIS:

Staff performed an analysis to determine how the proposed Agreement would benefit Sunflower, Lane-Scott and Dighton. ** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[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 2043 (with 2023 and 2024 being actual and 2025 through 2043 being forecasted). ** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ** Sunflower has stated that Dighton's peak load in 2024 was 2.8 MW. After factoring in the 16% reserve margin, Sunflower would need 3.25 MW of capacity to cover the load of Dighton. ** [REDACTED]
[REDACTED]
[REDACTED] ² **

THE FOLLOWING CHART IS CONFIDENTIAL

¹ See Section 6.1 in the proposed Dighton Agreement included in the Application for the proposed rates.

² ** [REDACTED]
[REDACTED]
[REDACTED] **

[REDACTED]

** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **

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

[REDACTED]
[REDACTED] ** 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.

** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **

** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

RECOMMENDATION:

Based on its analysis, Staff has concluded that the proposed Agreement will benefit Sunflower, Lane-Scott, and Dighton by retaining the City's load, lowering Sunflower Member costs, and reducing electricity rates, respectively. Therefore, Staff recommends the Commission approve the Agreement.

CERTIFICATE OF SERVICE

25-SEPE-284-CON

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of R&R (Public) was served via electronic service this 21st day of May, 2025, to the following:

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