THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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Pat Apple, Chairman Shari Feist Albrecht Jay Scott Emler

In the Matter of the Application of Kansas City Power & Light Company for Authority to Cease Transacting the Business of an Electric Public Utility Specifically in a Portion of Section 35, Township 14 South, Range 23 East, in Johnson County, Kansas.

Docket No. 17-KCPE-559-CCS

ORDER GRANTING APPLICATION TO CEASE TRANSACTING THE BUSINESS OF AN ELECTRIC PUBLIC UTILITY

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

I. BACKGROUND

1. On June 21, 2017, Kansas City Power & Light Company (KCP&L) filed an Application requesting to cease transacting the business of an electric public utility in a portion of Johnson County, Kansas. KCP&L is an electric public utility as defined in K.S.A. 2016 Supp. 66-104. A public hearing was neither requested nor held on KCP&L's Application.

2. KCP&L requests the Commission issue an Order granting KCP&L the authority to cease operating as an electric public utility in the following described territory to wit:

JOHNSON COUNTY, KANSAS:

A tract of land located in Dayton Creek Subdivision located in the South ½ of the Northwest ¼ and all of the Southwest ¼ of Section 35, Township 14 South, Range 23 East (excluding highway right-of-way); all located in the City of Spring Hill, Johnson County, Kansas, as detailed on the map marked Exhibit A attached to and made a part of the Application. KCP&L and Westar Energy propose that the new territory line be Theden Street from North to South (Dayton Creek Subdivision).

KCP&L shall provide electric service to all lots West of Theden Street, the new proposed territory line.

Westar Energy shall provide electric service to all lots East of Theden Street, the new proposed territory line.

The companies maintain that their proposal using Theden Street within Dayton Creek Subdivision as the new territory line will avoid side-by-side underground equipment from each utility and eliminate any possible confusion for employees and customers.¹

3. On August 2, 2017, the Commission Staff (Staff) submitted its Report and Recommendation dated July 26, 2017, recommending the Commission grant KCP&L's request to cease operating as an electric public utility in the territory as described in paragraph 2 above.

II. LEGAL STANDARDS AND DISCUSSION

4. 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 may enter into agreements to amend boundaries between their facilities. The agreements are subject to Commission approval, and if approved, the Commission shall issue a certificate accordingly.²

5. According to Staff, the electric territory boundary line between KCP&L and Westar, in Johnson County, was set by Docket No. 117,213-U on December 14, 1978, before the existence of the new Dayton Creek Subdivision. Because the old boundary line dissects lots within this new subdivision, KCP&L and Westar Energy, Inc. (Westar) have filed Applications

¹ Application, page 2.

² K.S.A. 66-1,175.

to more efficiently describe their boundary line based on the location of their existing electric facilities. The companies have determined that the use of a new street in Dayton Creek Subdivision (Theden Street) is the most efficient basis for dividing their electric systems. Staff adds that there are no existing customers currently connected within the Dayton Creek Subdivision.³ Correspondingly, Westar, on April 13, 2017 filed a Second Amended Application in Docket No. 17-WSEE-424-COC requesting a Certificate of Convenience and Authority to transact the business of an electric public utility in the territory as described in paragraph 2 above. Staff states that it has reviewed the parties' Applications and determines that the legal descriptions are not in conflict with the Commission's Certificate records. Concluding, Staff recommends the Commission grant both KCP&L's Application requesting to cease providing electric public utility service in the territory as described in paragraph 2 above and Westar's Second Amended Application requesting a Certificate to provide electric public utility service in the territory as described in paragraph 2 above.

III. FINDINGS AND CONCLUSION

6. The Commission adopts Staff's analysis and recommendation of July 26, 2017, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that KCP&L's Application should be granted, and that public convenience and necessity will be promoted by authorizing KCP&L to cease transacting the business of an electric public utility within the territory as described in paragraph 2 above.

³ Report and Recommendation, page 2.

⁴ Id., page 3.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Application of Kansas City Power & Light Company is hereby granted and KCP&L is authorized to cease transacting the business of an electric public utility within the territory as described in in paragraph 2 above.

B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served, in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2016 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: AUG 1 5 2017

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Secretary to the Commission

Order Mailed Date AUG 16 2017 Utilities Division 1500 SW Arrowhead Road Topeka, KS 66604-4027

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



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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:** July 26, 2017

SUBJECT: 17-WSEE-424-COC

In the Matter of the Application of Westar Energy, Inc. for Certificate of Convenience and Authority to Transact the Business of an Electric Public Utility Specifically in a Portion of Section 35, Township 14 South, Range 23 East, in Johnson County. Kansas.

17-WSEE-422-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 Section 35, Township 14 South, Range 23 East in Johnson County, Kansas.

17-KCPE-560-COC

In the Matter of the Application of Kansas City Power & Light Company for Certificate of Public Convenience and Authority to Transact the Business of an Electric Public Utility, Specifically in a Portion of Section 35, Township 14 South, Range 23 East, In Johnson County, Kansas.

17-KCPE-559-CCS

In the Matter of the Application of Kansas City Power & Light Company for Authority to Cease Transacting the Business of an Electric Public Utility, Specifically in a Portion of Section 35, Township 14 South, Range 23 East, In Johnson County, Kansas. Report and Recommendation Page 2

EXECUTIVE SUMMARY

Due to the new Dayton Creek Subdivision in Spring Hill, Kansas, being developed on an old existing electric territory boundary, Westar Energy, Inc. (Westar) and Kansas City Power & Light Company (KCP&L) have filed these Applications to redescribe the two electric suppliers' territory boundary. The filings propose to use a new street (Theden Street) as a more efficient boundary line for their electric facilities. There are no existing customers currently connected within the subdivision. Staff is recommending that the Commission grant these Applications and find that the public convenience will be promoted by this transaction.

BACKGROUND:

On March 20, 2017, Westar Energy, Inc. (Westar) filed an Application to Cease in Docket No. 17-WSEE-422-CCS. Westar filed an Amended Application on April 13, 2017. Westar filed an Application for Certificate in Docket No. 17-WSEE-424-COC on March 20, 2017, and on March 29, 2017, Westar filed an Amended Application. Westar filed a second Amended Application on April 13, 2017.

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 electric territory boundary between Westar and KCP&L, in Johnson County, was set by Docket No. 117,213-U on December 14, 1978, before the existence of the new Dayton Creek Subdivision. Because the old boundary line dissects lots within this new subdivision, Westar and KCP&L have filed these Applications to more efficiently describe their boundary line based on the location of their existing electric facilities. They have determined that the use of a new street in Dayton Subdivision (Theden Street) will be the most efficient basis for dividing their electric systems.

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.

¹ K.S.A. 66-131

Report and Recommendation Page 3

RECOMMENDATION:

Staff recommends that the Commission grant Westar's Amended Application to Cease dated April 13, 2017, in Docket No. 17-WSEE-422-CCS and second Amended Application for Certificate dated April 13, 2017, in Docket No. 17-WSEE-424-COC and KCP&L's companion Application to Cease in Docket No. 17-KCPE-559-CCS and Application for Certificate in Docket No. 17-KCPE-560-COC.

The Commission action date is October 17, 2017.

ATTACHMENT 1 Legal Description Territory Exchange Westar Energy, Inc. and Kansas City Power & Light Company

JOHNSON COUNTY

A tract of land located in Dayton Creek's Subdivision located in the South ¹/₂ of the Northwest ¹/₄ and all of the Southwest ¹/₄ of Section 35, Township 14 South, Range 23 East (excluding highway right-of-way); all located in the City of Spring Hill, Johnson County, Kansas, as detailed on the map marked Exhibit A and attached to the Application.

KCP&L and Westar Energy propose that the new territory line be Theden Street from North to South (Dayton Creek Subdivision).

KCP&L shall provide electric service to all lots West of Theden Street, the new proposed territory line.

Westar Energy shall provide electric service to all lots East of Theden Street, the new proposed territory line.

CERTIFICATE OF SERVICE

17-KCPE-559-CCS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of AUG 1 5 2017

first class mail/hand delivered on ____

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

OTTO NEWTON, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 Fax: 785-271-3167 o.newton@kcc.ks.gov ***Hand Delivered*** ROBERT J. HACK, LEAD REGULATORY COUNSEL KANSAS CITY POWER & LIGHT COMPANY ONE KANSAS CITY PL, 1200 MAIN ST 19th FLOOR (64105) PO BOX 418679 KANSAS CITY, MO 641419679 Fax: 816-556-2787 rob.hack@kcpl.com

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/S/ DeeAnn Shupe DeeAnn Shupe

> Order Mailed Date AUG 1 6 2017