

PUBLIC VERSION

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

Received
on

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In the Matter of the Complaint of Southern)
Pioneer Electric Company Against the Kansas)
Power Pool Regarding Bypass and Duplication)
of Service for 34.5kV Delivery to the City of)
Kingman.

Docket No. 17-KPPE-092 -COM

by
State Corporation Commission
of Kansas

**COMPLAINT OF SOUTHERN PIONEER ELECTRIC COMPANY
AGAINST THE KANSAS POWER POOL**

COMES NOW Southern Pioneer Electric Company (“Southern Pioneer” or “Complainant”) and pursuant to K.A.R. §82-1-220, files this Complaint with the State Corporation Commission of the State of Kansas (“Commission”) against the Kansas Power Pool (“KPP”). Southern Pioneer alleges that KPP is attempting to by-pass Southern Pioneer’s facilities contrary to the public interest and that such by-pass will create a duplication of facilities and will unduly burden the customers of Southern Pioneer by raising their rates. In support, Southern Pioneer states as follows:

I. Factual Background

1. Southern Pioneer is a not-for-profit Kansas corporation with its principal place of business located in Ulysses, Kansas. Southern Pioneer is a certificated electric public utility regulated by the Commission and is a wholly owned subsidiary of Pioneer Electric Cooperative, Inc., a not-for-profit Kansas member-owned electric cooperative that has elected to become self-regulated pursuant to K.S.A. 66-104d.

2. Southern Pioneer was granted public utility status on November 21, 2013, when the Commission approved the transfer of the retail certificated territory, consumers, Rules and

Regulations, and tariffs from Mid-Kansas Electric Company, LLC (“Mid-Kansas”) to Southern Pioneer in Docket No. 13-MKEE-447-MIS.¹

3. Southern Pioneer owns and operates 34.5 kV sub-transmission facilities that provide service to both Southern Pioneer’s retail customers and its wholesale local access customers. The wholesale local access customers’ combined load ratio share (approximately 40%) of the total 34.5 kV system revenue requirement for these facilities is recovered through the Local Access Delivery Service (“LADS”) tariff, whereas the retail consumers’ load ratio share of the total 34.5 kV system revenue requirement is bundled and recovered through the composite retail rate found in Southern Pioneer’s respective retail rate schedules.

4. Pursuant to the Settlement and Agreement approved by Commission Order in Docket No. 11-GIME-597-GIE (“11-597 Docket”)² (hereinafter referred to as the “11-597 Settlement”), Southern Pioneer’s 34.5 kV sub-transmission facilities that provide service to one or more wholesale customers are deemed to provide a local “transmission service” regulated by the Commission pursuant to K.S.A. §66-104d(f). Under the terms of the 11-597 Settlement, Mid-Kansas is the agent responsible for administering wholesale transmission service (also referred to as “local delivery” and “local access delivery service” or LADS) over the Southern Pioneer 34.5 kV sub-transmission facilities on behalf of Southern Pioneer.³

¹ *In the Matter of The Joint Application of Mid-Kansas Electric Company, LLC, Lane-Scott Electric Cooperative, Inc., Prairie Land Electric Cooperative, Inc., Southern Pioneer Electric Company, Victory Electric Cooperative Association, Inc., Western Cooperative Electric Association, Inc., and Wheatland Electric Cooperative, Inc., Joint Applicants, for an Order Approving the Transfer of Certificates of Convenience with Respect to All of Mid-Kansas’ Retail Electric Services and for Other Related Relief.*

² *In the Matter of a General Investigation Into the Classification as Transmission or Distribution of Certain 34.5 kV Facilities Owned by Certain Members of the Mid-Kansas Electric Company, LLC and Into Certain Agreements Relating to the Provision of Wholesale Service by Mid-Kansas Electric Company, LLC to Kansas Power Pool and Kansas Electric Power Cooperative, Inc on Such Facilities.*

³ More specifically, Mid-Kansas agreed to act as agent/single point of contact for all Mid-Kansas Members’ 34.5 kV facilities so that customers, such as KPP, who move power across more than one Mid-Kansas Members’ 34.5 kV facilities would have to make only one request for service with Mid-Kansas, rather than making a request with Southern Pioneer, and then with the other Mid-Kansas Members, as necessary, to effectuate delivery across the various Mid-Kansas Member systems.

5. Wholesale LADS is administered by Mid-Kansas pursuant to the terms and conditions of the Mid-Kansas Open Access Transmission Tariff (“Mid-Kansas OATT”),⁴ initially approved by the Commission on October 31, 2012 in Docket No. 12-MKKEE-650-TAR.⁵ Southern Pioneer’s wholesale LADS is separate and apart from the transmission service administered by the Southwest Power Pool (“SPP”) over the SPP transmission system under the SPP Open Access Transmission Tariff (“SPP OATT”); however, Southern Pioneer’s wholesale LADS is administered by Mid-Kansas in conjunction with SPP Network Integration Transmission Service (“NITS”).⁶ In other words, service administered by Mid-Kansas over Southern Pioneer’s 34.5 kV sub-transmission system is the “last mile” of NITS necessary to effectuate full NITS delivery from the customer’s Network Resource(s)⁷ (or other appropriately designated generation) to its local delivery Network Load⁸ located on Southern Pioneer’s system,⁹ or the “first mile” Point-to-Point service to effectuate delivery of a customer’s

⁴ Not to be confused with the Southwest Power Pool OATT.

⁵ The Mid-Kansas OATT provides for different categories of Wholesale LADS, most commonly Network Integration Transmission Service (“NITS”) and firm Point-to-Point Service. Local delivery NITS is provided under Part III of the Mid-Kansas OATT and is defined as a transmission service that allows a Network Customer to efficiently and economically utilize its Network Resources (as well as other non-designated generation resources) to serve its Network Load located in the transmission provider’s (Mid-Kansas) control area and any additional load that may be designated pursuant to the provisions of Section 31.3 of the Mid-Kansas OATT. Local delivery firm Point-to-Point Service is provided under Part II of the Mid-Kansas OATT and is defined as the reservation and transmission of capacity and energy on a firm basis from a specified point of receipt to the specified point of delivery. A Network Customer that cannot obtain local delivery NITS due to delivery to non-network loads must obtain local delivery Point-to-Point Service. The concept of local delivery NITS and local delivery Point-to-Point Service over the Mid-Kansas Members’ 34.5 kV systems, administered by Mid-Kansas under the Mid-Kansas OATT, is the same concept as SPP NITS and SPP Point-to-Point Service administered by SPP over the higher voltage transmission system as provided in the SPP OATT.

⁶ Mid-Kansas OATT, Part III.

⁷ Mid-Kansas OATT, Part I, Section 1 Definitions, defines “Network Resource” as any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to met the Network Customer’s Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

⁸ Mid-Kansas OATT, Part I, Section 1 Definitions, defines “Network Load” as the load that a Network Customer designates for local delivery NITS under Part III of the Mid-Kansas OATT. The Network Customer’s Network Load shall include all load served by the output of any Network Resources designated by the Network Customer, but may not designate only part of its load at a discrete point of delivery.

⁹ Mid-Kansas OATT, Part I.

generation resource located on the Southern Pioneer local delivery system to local delivery non-Network Load located outside of the Mid-Kansas Members' local delivery systems.¹⁰

6. The cost to provide wholesale local delivery NITS and local delivery Point-to-Point Service over Southern Pioneer's 34.5 kV system is recovered by Southern Pioneer from wholesale LADS customers under Southern Pioneer's Commission-approved LADS Tariff, incorporated by reference into the Mid-Kansas OATT.¹¹

7. KPP is a municipal energy agency created under Kansas statute pursuant to the Municipal Energy Agency Act, K.S.A. 12-885 *et seq.*, and pursuant to K.S.A. 12-8,111 is considered a public utility subject to the jurisdiction of the Commission. KPP provides wholesale capacity, energy and transmission services to its member owner municipal electric utilities, including the City of Kingman, Kansas.

8. KPP is a wholesale LADS customer of Southern Pioneer, because service over Southern Pioneer's 34.5 kV sub-transmission facilities is necessary to effectuate power supply delivery to KPP's municipal members. More specifically, KPP takes local delivery NITS over the Southern Pioneer 34.5 kV sub-transmission facilities for "last mile" service of KPP's

¹⁰ For an example of local delivery NITS, Customer A wishes to move power from a generation source to a customer load on Southern Pioneer's 34.5 kV system. Customer A must first have SPP NITS in order to move power from the generation source across Mid-Kansas' and potentially other transmission owners' transmission facilities, which are under the functional control of SPP. Customer A must also have local delivery NITS in order to move power over Southern Pioneer's sub-transmission facilities (the "last mile") for ultimate delivery to the customer's load located on Southern Pioneer's 34.5 kV system, which is NOT under the functional control of SPP. The local delivery NITS is administered by Mid-Kansas by virtue of its Mid-Kansas OATT. As noted previously, the Mid-Kansas transmission facilities and the Southern Pioneer 34.5 kV sub-transmission facilities are separate and apart from one another, and each has its own respective revenue requirement. Also, as part of the 11-597 Docket, Mid-Kansas agreed to act as administrator for the Southern Pioneer LADS in order to allow customers to make only one nomination for delivery of power to be delivered on the Mid-Kansas Members' 34.5 kV systems under a common set of terms and conditions. Otherwise, customers would have to schedule power with Southern Pioneer, but also with each Mid-Kansas Member from which it utilizes their respective 34.5 kV systems. This accommodation was provided at the request of wholesale LADS customers KPP and the Kansas Electric Power Cooperative, who intervened and participated in the 11-597 Docket. However, providing the customers a "one-stop-shop" for their nominations does not negate the fact that each set of facilities (Mid-Kansas' and Southern Pioneer's) has its own respective revenue requirement.

¹¹ Mid-Kansas OATT, Schedules 7-9 and Attachment H.

Network Resources¹² to two local delivery Network Load points – the City of Kingman and the City of Greensburg. KPP also takes local delivery Point-to-Point service over the Southern Pioneer 34.5 kV sub-transmission facilities for “first mile” service from the Greensburg Windfarm generator to non-network loads not located on Southern Pioneer’s local delivery system. The terms of KPP’s LADS are governed by the 11-597 Settlement, the local delivery Network Integration Transmission Service Agreement (“NITSA”) by and between KPP and Mid-Kansas dated January 11, 2012, and the local delivery Network Operating Agreement (“NOA”) by and between KPP, Mid-Kansas and Southern Pioneer, approved by the Commission on January 11, 2012.¹³ The KPP local delivery NITSA and local delivery NOA are each attached hereto as **Exhibit A**.

9. The 11-597 Settlement provided for the approval of a compromise of the following issues specific to KPP’s LADS over the Southern Pioneer 34.5 kV sub-transmission system in order to address KPP’s concerns:

- A. 11-597 Settlement - City of Kingman and Local Planning.
- B. 11-597 Settlement - Greensburg Windfarm.
- C. Global Settlement of KPP LADS Issues.
- D. Actions Subsequent to the Global Settlement Agreement.

These issues and the terms related to their settlement are explained below.

A. 11-597 Settlement - City of Kingman and Local Planning

10. The City of Kingman’s load is 16 MW and is served in part off the Southern Pioneer Pratt – Cunningham 34.5 kV line, which includes 20 miles of radial 34.5 kV facilities from the Mid-Kansas Pratt 115 kV substation to the Southern Pioneer Cunningham 34.5-13.8 kV

¹² Mid-Kansas OATT, Part I.

¹³ 11-597 Docket Order, ¶¶11-12.

substation. A diagram of this portion of the system is attached hereto as **Exhibit B**. At the Cunningham 34.5-13.8 kV substation there is a 13.8 kV substation that serves as a delivery point for Southern Pioneer retail distribution service and a 34.5 kV regulating station and interconnection for the City of Kingman. The City of Kingman owns approximately 22.5 miles of 34.5 kV line connecting it to the Southern Pioneer Pratt – Cunningham 34.5 kV line at the Cunningham 34.5 kV regulating station.

11. KPP has designated the full 16 MW of Kingman load as SPP Network Load under its SPP NITSA for service over the SPP transmission system.¹⁴ However, pursuant to the necessary studies for the grant of full NITS to the City of Kingman load, SPP, in conjunction with Mid-Kansas, identified a local 6 MW reliability import limitation on the Pratt - Cunningham 34.5 kV line, and therefore, the grant of 16 MW of full SPP NITS was conditioned upon KPP electing to pay for the rebuild of the Pratt - Cunningham 34.5 kV line to accommodate the full delivery request.¹⁵ The load associated with the City of Kingman is herein referred to as “the Kingman Network Load”. KPP elected not to proceed with the rebuilding of the Pratt-Cunningham 34.5 kV line as Southern Pioneer understands KPP did not want to pay for the direct assigned costs that would result from the rebuild. Therefore, KPP’s SPP NITSA expressly limits the grant of SPP NITS to the Kingman Network Load to 6 MW and similarly, KPP’s local delivery NITSA with Mid-Kansas limits the grant of local delivery NITS to the Kingman Network Load to 6 MW. KPP serves the remainder of the Kingman load with behind-the-meter generation resources owned by the City of Kingman.

¹⁴ Mid-Kansas’ transmission facilities are part of the SPP transmission system, but Southern Pioneer’s 34.5 kV sub-transmission facilities are not.

¹⁵ This import limitation was inherited by Southern Pioneer when the Aquila-WPK assets were purchased in 2007. The SPP study addressing the upgrades needed to accommodate KPP’s full delivery request for Kingman is the SPP Aggregate Study 2009AGP2.

12. In order to address KPP's concerns with being direct assigned the entire cost of rebuilding the Pratt-Cunningham 34.5 kV line to provide full import delivery service to the Kingman Network Load, Mid-Kansas and the Mid-Kansas Members agreed in the 11-597 Settlement that any proposed network upgrades of Mid-Kansas Member 34.5 kV facilities, including the proposed upgrades of the Southern Pioneer 34.5 kV facilities related to service to the City of Kingman¹⁶, would be charged consistent with the Federal Energy Regulatory Commission ("FERC") and SPP's "Or" (also referred to as "higher of") pricing methodologies, providing that costs not supported by increased LADS revenue under the local delivery NITSA are to be directly assigned to the wholesale LADS customer.¹⁷

B. 11-597 Settlement - Greensburg Windfarm

13. The 11-597 Settlement also resolved on a going-forward basis an outstanding complaint by KPP, filed in Docket 11-MKEE-011-COM¹⁸ (11-011 Complaint), regarding the billing for the delivery of the output of the Greensburg Windfarm ("GBWF") to Westar Energy, Inc. It was agreed by Mid-Kansas and Southern Pioneer that Southern Pioneer would deviate from the current billing methodology required by the Southern Pioneer LADS Tariff for Point-to-Point LADS to non-network loads¹⁹ and bill KPP for the GBWF output as if the output were a Network Load (based on actual usage to deliver the GBWF output at the time of the Southern Pioneer monthly system coincident peak). This special contract rate for LADS of the GBWF output is provided in Attachment 1, Appendix 3 of the KPP Local Delivery NITSA. To date, KPP has achieved over \$1.1 million in savings under this deviated billing methodology when

¹⁶ As identified by the SPP Aggregate Study 2009AGP2. – the Pratt-Cunningham 34.5 kV line.

¹⁷ 11-597 Docket Order, ¶15.

¹⁸ *In the Matter of the Complaint of the Kansas Power Pool, ("KPP"), a Municipal Energy Agency, Against Mid-Kansas Electric Company, LLC and Southern Pioneer Electric Company for Its Rates and Charges Related to Local Access Charges Regarding a Certain 34.5 kV Line Providing Service From the Greensburg Wind Farm to KPP.*

¹⁹ The Point-to-Point LADS charge is based on the nameplate rating of the generator as a reservation amount.

compared to standard tariff billing requirements, effectively resulting in a cost shift to other Southern Pioneer wholesale LADS customers and Southern Pioneer retail customers taking service over Southern Pioneer's 34.5 kV system.²⁰ An analysis of the actual savings through July 2016 when compared to Southern Pioneer's standard LADS Tariff rates is attached hereto as **Exhibit C**.

14. This compromise narrowed the outstanding dispute over billing in the separate 11-011 Complaint docket to the defined historical period from commercial operation of the GBWF on February 17, 2010 to the effective date of KPP's LADS NITSA, approved in the 11-597 Settlement in January 2012.²¹ In the 11-597 Settlement, as an additional concession to KPP, the parties agreed to request the Commission grant expedited treatment to the 11-011 Complaint docket for the purpose of determining the appropriateness of the LADS charges assessed against KPP for the subject period.²²

15. Over the course of the next year and a half, KPP, both individually and jointly with Mid-Kansas, filed multiple requests for stay of the 11-011 Complaint pending a potential settlement by the parties regarding the dispute, which the Commission granted.

C. Global Settlement of KPP LADS Issues

16. On August 28, 2013, the parties entered into a Settlement Agreement resolving all outstanding issues regarding KPP's LADS service over Southern Pioneer's 34.5 kV facilities for service to the City of Kingman and the delivery and billing of the GBWF ("Global Settlement

²⁰ See Testimony in Support of Stipulation and Agreement of Donald L. Gulley, 11-597 Docket, at p. 20, line 8 through p. 22, line 9, (Dec. 6, 2011), describing the agreement to reduce KPP's GBWF LADS charges in consideration for KPP agreeing to narrow the scope of the GBWF Complaint and reducing the incentive of attempted bypass by KPP of Southern Pioneer's 34.5 kV facilities at Greensburg.

²¹ 11-597 Docket, Stipulation and Agreement, ¶1(f), (Dec. 1, 2011).

²² Id.

Agreement”).²³ A copy of the Global Settlement Agreement is attached hereto as **Exhibit D**.

The intent and principal terms of the Global Settlement Agreement are as follows:

- a. KPP requested and Mid-Kansas agreed to purchase the Ninnescah 115 kV Transmission Line (“Ninnescah Transmission Line”) from Ninnescah Rural Electric Cooperative Association, Inc. (“Ninnescah”). The acquisition of the Ninnescah Line would be in consideration of and would allow Southern Pioneer to remain interconnected to the Ninnescah Line through its existing SemCrude 115/34.5 kV Substation and provide KPP with full local delivery NITS to the City of Kingman as a cheaper alternative to the rebuild of the Cunningham – Pratt 34.5 kV line identified in the SPP Aggregate Study 2009AGP2.²⁴ This would require that Southern Pioneer upgrade its SemCrude Substation facilities to accommodate the additional City of Kingman load, in addition to building two miles of radial 34.5 kV line to interconnect to the City of Kingman’s existing 34.5 kV line. Pursuant to the 11-597 Settlement, any 34.5 kV network upgrade costs would be allocated among the parties consistent with the SPP “Or” pricing methodology. The parties also agreed that the service for interconnection to the Ninnescah 115 kV line and cost recovery would be governed by the Mid-Kansas OATT. The acquisition was conditioned upon approval from the Commission.
- b. Mid-Kansas and Southern Pioneer agreed not to oppose the bypass by KPP of Southern Pioneer’s 34.5 kV facilities at the City of Greensburg in order to directly connect the GBWF to the Mid-Kansas 115 kV transmission line.
- c. KPP agreed to file a motion with the Commission to dismiss the GBWF complaint in the 11-011 Docket.

D. Actions Subsequent to the Global Settlement Agreement

17. Consistent with the Global Settlement Agreement, after lengthy negotiations with Ninnescah, Mid-Kansas entered into an asset purchase agreement for the purchase of the Ninnescah Transmission Line for \$950,000. On October 11, 2013, Mid-Kansas filed the asset purchase agreement for approval with the Commission in Docket No. 14-MKEE-170-TAR²⁵

²³ The Global Agreement was provided to the Commission in the 11-011 Complaint. See 11-011 Complaint, Joint Motion of Mid-Kansas and the KPP, a Municipal Energy Agency, For a Forth-Five (45) Day Extension of Time, ¶1 (Aug. 28, 2013).

²⁴ In other words, the only reason for Mid-Kansas’ purchase of the Ninnescah line was for the benefit of KPP. *But for* KPP’s need for a less expensive alternative to effectuate full delivery to the City of Kingman, Southern Pioneer would not have agreed to the purchase of the Ninnescah line.

²⁵ *In the Matter of the Application of Mid-Kansas Electric Company, LLC to Adopt and Implement Changes to Its Formula-Based Rate for the Inclusion and Recovery of Additional Assets and Removal of Facilities Financed Under Its Extraordinary Transmission Facility Extension Service Terms from the Rate Base*, Docket No. 14-MKEE-170-

("14-170 Docket"), requesting recovery of the full purchase price under the Mid-Kansas transmission formula based rate. Shortly thereafter, on October 21, 2013, KPP filed a motion to dismiss the GBWF complaint in the 11-011 Docket. The Commission Order granting KPP's motion to dismiss the 11-011 complaint with prejudice was issued on November 7, 2013.

18. On January 27, 2014, Southern Pioneer and Mid-Kansas received a "notice to proceed" letter from KPP ("Notice to Proceed Letter"), stating that while KPP understands the SemCrude Project is contingent on the outcome of the Commission's Order in the 14-170 Docket regarding approval of Mid-Kansas's purchase of the Ninnescah Transmission Line, KPP believed that it was important to begin the planning and discussion of the next steps for the SemCrude project, assuming Commission approval of the Ninnescah Transmission Line purchase. KPP specifically requested in the Notice to Proceed Letter that Southern Pioneer and Mid-Kansas proceed to scope the necessary facilities, and derive estimates and allocation of costs for the proposed facilities. The scope of the facilities included the upgrade of the 115-34.5 kV transformer and associated equipment and metering at Southern Pioneer's SemCrude Substation, and the construction of a new 34.5 kV radial line from the Southern Pioneer SemCrude Substation back to Kingman's existing 34.5 kV line (hereinafter referred to as the "SemCrude Project"). KPP further requested an in-service date for the SemCrude Project by summer 2015, indicating it may even be needed sooner. A copy of the Notice to Proceed Letter is attached hereto as **Exhibit E**.

19. On March 12, 2014, Commission Staff issued its Report and Recommendation ("Staff R&R") in the 14-170 Docket. Staff determined, after full analysis of the specific facts surrounding the transaction, that the public interest would be furthered by the acquisition by Mid-Kansas of the Ninnescah Transmission Line, and therefore, recommended full approval of

TAR ("14-170 Docket").

the acquisition and recovery of all acquisition costs through the Mid-Kansas transmission formula based rate.²⁶ Staff recognized that the existing Southern Pioneer Pratt-Cunningham 34.5 kV facilities would only support 50% of the City of Kingman's requested Network Load, and that the City of Kingman service deficiency could be more cost effectively addressed with the purchase of the Ninnescah Transmission Line.²⁷

20. On March 27, 2014, a meeting was held at the City of Kingman between KPP, Southern Pioneer and Mid-Kansas representatives. The purpose of the meeting was to discuss the status of the pending 14-170 Docket and, pursuant to KPP's Notice to Proceed Letter, discuss in more detail the scoping, engineering, cost and cost allocation for the SemCrude Project in order to provide the City of Kingman with full transmission service. A conceptual proposal was outlined for the necessary facilities, and the parties discussed direct assigned facilities and cost assignment for network facilities. The parties agreed to consider "load ratio share" cost allocation for the network facilities as a possible option instead of the "Or" pricing methodology agreed to by the parties in the 11-597 Settlement, recognizing that a deviation from the 11-597 Settlement may require Commission approval.²⁸

21. On April 28, 2014, the Commission issued its Order in the 14-170 Docket, approving the acquisition by Mid-Kansas of the Ninnescah Transmission Line and allowing Mid-Kansas to recover the full purchase price through the Mid-Kansas transmission formula based rate.

22. On June 13, 2014, per KPP's request to proceed with the SemCrude Project, Southern Pioneer and Mid-Kansas provided KPP with a facility cost estimate from Peak Power,

²⁶ 14-170 Docket, Staff R&R, p. 3.

²⁷ Id. at p. 2.

²⁸ The "network facilities" identified for the SemCrude Project are the 115-34.5 kV transformer and associated costs, and the 34.5 kV line from the SemCrude Substation to the Kingman 34.5 kV line.

Mid-Kansas's engineering consultant, and associated cost allocation proposals for the SemCrude Project, recognizing KPP and the City of Kingman's need for a summer 2015 in-service date. The cost allocation proposals reflected the discussions among the parties and included both "Or" and "load ratio share" cost allocation pricing for the network facilities required to complete the SemCrude Project (the "SemCrude Project Proposal"). A copy of the proposal is attached hereto as **Exhibit F**.

23. On August 8, 2014, Southern Pioneer and Mid-Kansas sent KPP a letter notifying KPP that to-date, neither Southern Pioneer nor Mid-Kansas had received a formal response from KPP regarding the SemCrude Project Proposal and that, therefore, due to a lack of response and the significant lead-time involved in obtaining material and equipment for the project, and potential easement acquisition issues involved, Southern Pioneer and Mid-Kansas would not be able to meet the City's desired summer 2015 in-service date and would not proceed with the SemCrude Project absent execution of an acceptable cost allocation agreement. Southern Pioneer and Mid-Kansas also informed KPP that, if it desired to defer the project to a later point in time, such deferral could result in changes in cost estimates and lead-times on equipment and material. Southern Pioneer and Mid-Kansas requested that KPP provide a response on or before August 28, 2014, or Southern Pioneer and Mid-Kansas would conclude that KPP no longer desired that the SemCrude Project move forward. A copy of the letter is attached hereto as **Exhibit G**.

24. On August 25, 2014, Southern Pioneer and Mid-Kansas received a written response to the August 8, 2014 letter. KPP indicated that several issues arose which delayed KPP's response to the SemCrude Project Proposal, and stated that while KPP understands that meeting a summer 2015 in-service date would no longer be possible, KPP was still very much

interested in the SemCrude Project and hoped to have internal approvals received within the next few months. Specifically, the delays were due to the need for a formal engineering review, recommendation and cost estimate of the distribution upgrades necessary for the City of Kingman facilities, and trying to obtain information regarding a new large industrial load in order to receive all the necessary approvals. A copy of the letter is attached hereto as **Exhibit H**.

25. Over the next several months, in a continuing effort to work with KPP in good faith, Mid-Kansas and Southern Pioneer met with KPP to hear KPP's continued concern with the charges for LADS of the GBWF despite the Global Settlement Agreement and Commission Order dismissing the GBWF Complaint with prejudice, in addition to the outstanding transmission service matters for the City of Kingman. Southern Pioneer and Mid-Kansas made clear to KPP that they were continuing to charge the GBWF for LADS in accordance with the terms of the 11-597 Settlement and that any potential deviation from the 11-597 Settlement would require prior Commission approval.

26. In June, 2015, KPP, through its contractor Olson and Associates, sent Mid-Kansas a request for information regarding the capacity availability on the Ninnescah Transmission Line in order to facilitate a new and separate delivery point on the Ninnescah Transmission Line for service to the City of Kingman. Mid-Kansas and Southern Pioneer provided a response letter on July 31, 2015, expressing significant concern with KPP's actions to now potentially pursue a new delivery point on the Ninnescah Transmission Line inconsistent with the intent of the parties in working towards completion of the Southern Pioneer SemCrude Project, and inconsistent with KPP's assurances through the Global Settlement Agreement and by way of KPP's actions after execution of the Global Settlement Agreement. The letter also expressed Southern Pioneer and Mid-Kansas's disappointment with KPP in continuing to disagree with the charges for the

GBWF, despite the 11-597 Settlement and Global Settlement Agreement. Finally, the response letter reiterated Southern Pioneer and Mid-Kansas's desire to work with KPP and the City of Kingman to provide affordable transmission services, and to that end, Southern Pioneer committed to provide KPP with an updated cost estimate and associated cost allocation for the SemCrude Project as soon as reasonably possible. A copy of the response letter is attached hereto as **Exhibit I**.

27. On August 20, 2015, KPP's legal counsel sent an electronic mail communication to Southern Pioneer and Mid-Kansas's legal counsel requesting, among other things, that Southern Pioneer send the update to the cost estimate and allocation for the proposed SemCrude Project (including the 34.5 kV radial line). Southern Pioneer and Mid-Kansas provided a written response to the email on September 10, 2015, which included the requested updated cost estimate and allocation information for the SemCrude Project to provide full transmission service to the City of Kingman. Copies of the August 20, 2015 and September 10, 2015 email communications are attached hereto as **Exhibit J**.

28. On September 28, 2015, KPP also submitted a formal request with SPP pursuant to Attachment AQ of the SPP OATT ("AQ Request") to change the current Kingman Network Load local delivery point from the current local delivery point on the Southern Pioneer Pratt-Cunningham 34.5 kV facilities to a new delivery point on the Ninnescah Transmission Line near the Northern Natural compressor station, approximately 2 miles west and 2 ½ miles north of the City of Cunningham and directly adjacent to Southern Pioneer's 115/34.5 kV SemCrude Substation. The AQ Request indicated that a new 115-34.5 kV substation would be constructed to interconnect with a new 34.5 kV line to be built from the new delivery point to the existing City of Kingman 34.5 kV line, and like the proposed SemCrude Project, the construction of the

new facilities would be intended to provide the City of Kingman with full import service for the City of Kingman's 16 MW Network Load as well as generation export service for the City of Kingman's behind-the-meter generation resources. The new facilities would traverse and be located in Southern Pioneer's certified retail electric service territory and would be used by KPP in lieu of the SemCrude Project. A copy of KPP's SPP AQ Request and a map indicating the location of the proposed KPP facilities are attached hereto as **Exhibit K**.

29. On December 3, 2015, a formal request for interconnection was submitted by KPP to Mid-Kansas²⁹, regarding interconnection of the newly proposed KPP facilities to the Mid-Kansas Ninescah Transmission Line. The request included a need for a cost estimate from Mid-Kansas on the transmission facilities necessary to facilitate the interconnection of KPP's 34.5 kV sub-transmission facilities to the Ninescah Transmission Line. A copy of the formal interconnection request is attached hereto as **Exhibit L**. Further, on November 18, 2016, KPP's legal counsel sent an email communication to Southern Pioneer's legal counsel, notifying Southern Pioneer that KPP was in fact pursuing a new delivery point for transmission service to the City of Kingman through the SPP AQ process in lieu of the SemCrude Project. A copy of the email communication is attached hereto as **Exhibit M**.

30. On February 24, 2016, Mid-Kansas sent KPP a response to its request for interconnection, indicating the transmission facilities necessary to interconnect KPP's newly constructed 34.5 kV facilities to the Ninescah Transmission Line, and associated high-level cost estimates. Mid-Kansas indicated the transmission facilities required included a single breaker

²⁹ The interconnection request letter is actually addressed to Mid-Kansas as the owner of the Ninescah Transmission Line. The Ninescah Transmission Line is under the functional control of SPP. Interconnections to SPP transmission facilities are under the SPP OATT.

substation tap, with high-level cost estimates totaling approximately \$3.5-4.5M.³⁰ A confidential copy of the Mid-Kansas response is attached hereto as **Confidential Exhibit N**.

31. On March 29, 2016, Southern Pioneer sent KPP a letter expressing concern regarding KPP's actions to pursue a new and separate delivery point for service to the City of Kingman inconsistent with its commitment to the SemCrude Project. The letter requested KPP respond, indicating whether it intended to cease action on the construction of the newly proposed delivery point facilities, stating that Southern Pioneer deemed such action to be wholly inconsistent with the Global Settlement Agreement and a wasteful duplication of facilities. The letter is attached hereto as **Exhibit O**. KPP responded on April 30, 2016, noting its intent to continue construction on the newly proposed delivery point facilities and stating its position that KPP and Southern Pioneer agreed that KPP could bypass any of Southern Pioneer's 34.5 kV facilities. KPP's response letter is attached hereto as **Exhibit P**. Southern Pioneer did not agree that KPP could bypass *any* of Southern Pioneer's 34.5 kV facilities. Rather, Southern Pioneer agreed to a *limited* bypass at the City of Greensburg in order to directly connect the GBWF to the Mid-Kansas 115 kV transmission line located in Kiowa County, Kansas, which was a concession given in the context of the entirety of the Global Settlement.

II. KPP Should Be Enjoined from Attempting to Bypass Southern Pioneer's 34.5 kV Facilities with the Proposed Construction of the New 115-34.5 kV Substation and Interconnection Facilities as Such Facilities Result in the Unnecessary and Wasteful Duplication of Facilities and Service in Southern Pioneer's Certified Service Territory, is Inconsistent with Previous Agreements and the Regulatory Compact, Potentially Jeopardizes the Commission's Jurisdiction, and, therefore, are Not in the Public Interest.

A. Unnecessary and Wasteful Duplication of Facilities

32. KPP is attempting to bypass Southern Pioneer's 34.5 kV sub-transmission system and connect directly to the Ninnescah Transmission Line at a new delivery point for the primary

³⁰ Southern Pioneer understands from Mid-Kansas that this cost may be modified based upon the determined need for a high-side breaker facility as part of the transmission interconnection facilities.

purpose of avoiding payment of the Southern Pioneer LADS charge to serve the City of Kingman load over Southern Pioneer's 34.5 kV sub-transmission system. In order to do so, KPP must construct a new 34.5 kV line from the existing City of Kingman 34.5 kV line at a point east of and near the Cunningham Substation, to a newly constructed 115-34.5 kV substation and associated interconnection facilities in order to connect its new 34.5 kV line to the Ninescah Transmission Line (See **Exhibit Q**). The proposed construction of new 115-34.5 kV substation and interconnection facilities would be located directly adjacent to Southern Pioneer's existing Southern Pioneer SemCrude 115-34.5 kV Substation. The high-side of the new substation and interconnection facilities would be owned and operated by Mid-Kansas, and the low-side of the substation and related facilities would be owned and operated by KPP or the City of Kingman.³¹ These newly proposed KPP facilities would be in lieu of KPP taking full import transmission service from Southern Pioneer through upgrades to Southern Pioneer's existing SemCrude 115-34.5 kV Substation, which also interconnects to the Ninescah Transmission Line.³² It is critical to note that without Mid-Kansas' agreement to and subsequent purchase of the Ninescah Transmission Line to effectuate KPP's full delivery to the City of Kingman by virtue of the upgrade to Southern Pioneer's SemCrude Substation facilities, the Ninescah Transmission Line would still be owned and operated by Ninescah and, therefore, arguably not available to KPP for its proposed bypass of Southern Pioneer's 34.5 kV facilities. Staff's conclusion in the 14-170 Docket, that the purchase of the Ninescah Transmission Line by Mid-Kansas was in the public interest was based on the facts as presented at that time, which should have included impacts to existing Southern Pioneer retail customers.

³¹ The high-side facilities are the 115 kV transmission facilities and associated equipment. The low-side facilities are the 34.5 kV facilities and associated equipment.

³² Like KPP's newly proposed 115-34.5 kV substation and interconnection facilities, the SemCrude Project also requires the construction of 3-4 miles of new 34.5 kV line from the existing City of Kingman 34.5 kV line to interconnect to the Southern Pioneer SemCrude 115-34.5 kV substation.

33. The broad regulatory powers of the Commission granted by the Kansas legislature includes within its scope consideration of the construction of duplicative electric facilities by public utilities.³³ K.S.A. 66-101b requires that public utilities furnish reasonably efficient and sufficient service and facilities for the services rendered. K.S.A. 66-101g provides that “...all grants of power, authority and jurisdiction herein made to the commission, shall be liberally construed, and all incidental powers necessary to carry into effect the provisions of this act are expressly granted to and conferred upon the [C]ommission.” Duplicative electric facilities are not “reasonably efficient” facilities, and the Commission has the liberal statutory power to prevent such electric facilities from being constructed by KPP.

34. Consistent with the policy of the State of Kansas to avoid waste and duplication of utility facilities, K.S.A. 10-1203 states that no municipality shall issue revenue bonds to acquire, construct, reconstruct, alter, repair, improve, extend or enlarge any facilities for the furnishing of any utility service where the same is already being furnished by a private utility, except, upon approval by the Commission after a finding based upon substantial evidence that such new or modifications to facilities is necessary or appropriate for the municipality and its consumers and will not result in the duplication of existing utility service in the area served or to be served by the municipality. It is unknown at this time whether Kingman or KPP will issue bonds to finance the duplicative facilities, but even if K.S.A. 10-1203 is not ultimately triggered, the statute makes clear that the Commission is charged with ensuring the avoidance of duplicate utility facilities and wasteful deployment of public resources on unnecessary utility facilities.

35. It has been declared the public policy of the State of Kansas under the Retail Electric Supplier’s Act (“RESA”) as provided in K.S.A. 66-1,171, that there be avoided wasteful duplication of facilities for the distribution of electricity, unnecessary encumbrances of the

³³ Central Kansas Power Co. v. State Corporation Comm’n, 206 Kan. 670, 677 (1971).

landscape, waste of materials and natural resources, and minimized disputes between retail electric suppliers which may result in higher costs in serving the consumer.

36. Consistent with the public policy set out in the RESA, the Commission has adopted a clear policy against duplication and waste as part of its review and analysis of applications for certificates and merger approvals (“Merger Standards”). The Merger Standards include:³⁴

- Whether the transaction would result in unnecessary duplication of utility service.
- Whether the transaction will reduce the possibility of economic waste.
- The effect of the transaction on the environment.
- Whether the transaction maximizes the use of Kansas energy resources.
- The effect of the transaction on reliability of service – will it promote adequate and efficient service.

Under these standards, construction of the facilities contemplated by KPP would fail a Commission review because such action (1) results in unnecessary duplication of utility service, (2) involves economic waste as it would result in Kansas customers paying for two systems instead of one, (3) imposes an additional and unnecessary impact on the environment, (4) does not maximize the use of Kansas energy resources since it dedicates such resources to a duplicate system, and (5) is not needed to promote adequate and efficient service.

37. The Kansas Supreme Court has stated that when determining whether public utility assets should be built, the public interest must be the Commission’s primary concern, *i.e.* whether the proposed facilities will promote the “public convenience.” The Kansas Supreme Court has defined the term “public convenience” as the “convenience of the public, not the convenience of particular individuals.” More specifically, the Court has held that when determining whether utility assets should be built to serve a particular area in the State, the

³⁴ These standards were adopted by the Commission in its November 15, 1991 Order in Docket Nos. 172,745-U and 174,155, which approved the merger of Kansas Power And Light Company with the Kansas Gas and Electric Company, and in the 1997 Merger Order, Docket No. 97-WSRE-676-MER, p. 8, ¶¶18-19 (Sept. 28, 1999).

“public convenience ought to be the Commission’s primary concern (all customers), the interest of the public utility company already serving the territory secondary (Southern Pioneer), and the desires and solicitation of the public utility seeking to build the facilities a relatively minor consideration (KPP).³⁵ The Commission should determine whether the proposed facilities are required by public convenience and necessity, or whether the building of the facilities would be wasteful and a useless burden on the community or the public.³⁶ Finally, the Kansas Supreme Court has found that the “public convenience” is a relative term and generally the determination of such depends on the circumstances of each case. The Court has indicated that:

The public convenience and necessity, or lack thereof, is established by proof of the conditions existing in the territory to be served, and it is the function of the Commission to draw its own conclusions and form its own opinion from the proof of the conditions of the territory, rather than from the consensus of opinions of witnesses upon the ultimate fact as to the existence or nonexistence of the public necessity and convenience.

38. The Commission has previously addressed the bypass and duplication of a public utility’s electric facilities by another public utility’s construction of new electric facilities in the public utility’s certified service territory. In Docket No. 96-SEPE-680-CON, Sunflower Electric Power Corporation (“Sunflower”) sought Commission approval of an Electric Interconnection and Supply Agreement and amendments thereto (the “Agreement”) with the City of Hill City, Kansas and Norton-Decatur Cooperative Electric Company, Inc. The Agreement required that Sunflower and Norton-Decatur provide energy to Hill City through the construction of a new substation and interconnection facilities.³⁷ The proposed site was to be located next to Midwest Energy’s electric facilities then currently serving Hill City in Midwest Energy’s certified service

³⁵ Kansas Gas & Electric Co. v. Public Service Commission, 122 Kan. 462, 466 (1927).

³⁶ Id. at 446.

³⁷ *In the Matter of an Application by the Sunflower Electric Power Corporation for Commission Approval of an Interconnection and Power Supply Agreement with the Norton-Decatur Cooperative Electric Company, Inc. and the City of Hill City, Kansas* (“Sunflower Application”), Docket No. 96-SEPE-680-CON, (1997).

territory.³⁸ The Commission stated, *inter alia*, that the proposed Agreement, including the proposed construction of the substation and interconnection facilities should be reviewed to determine whether it is in the public interest, *i.e.* whether the Agreement reasonably promotes efficient and sufficient service and facilities in providing service.³⁹ After an evidentiary hearing on the merits, the Commission determined that the proposed new substation and interconnection facilities were unnecessarily duplicative and economically wasteful, stating that the proposed facilities were not necessary to make the sale under the proposed Agreement, and that the cost incurred by Norton-Decatur to build the newly proposed facilities to serve Hill City could be avoided unless the facilities were also to serve other legitimate public purposes, as Norton-Decatur could upgrade existing facilities at lower cost instead of duplicating the existing Midwest Energy facilities.⁴⁰ The Commission specifically considered the additional benefit to Sunflower by avoiding transmission costs, balanced against the loss to Midwest and the cost incurred by Norton-Decatur, stating that while Hill City will pay a portion of the construction costs for the proposed substation, the corresponding loss of transmission revenue by Midwest Energy will result in an increase in rates for Midwest Energy's captive customers, and thus there is no net gain for the public generally as it relates to Sunflower claimed avoided costs.⁴¹ The Commission found that the proposed Agreement, including the construction of the proposed facilities, was unreasonable and not in the public interest and therefore denied approval of the proposed Agreement.⁴²

39. The Commission's policy against bypass and the unreasonable and wasteful duplication of facilities has also been clearly indicated in a number of natural gas pipeline cases,

³⁸ Id.

³⁹ Sunflower Application, Order at ¶14 (April 23, 1997).

⁴⁰ Sunflower Application, Order at ¶¶16, 19, 27 (Aug. 26, 1997).

⁴¹ Id. at ¶ 25.

⁴² Id. at ¶¶ 26-27, 29.

which underlying reasoning and rationale is similar and applicable to the review and determination of duplicative and wasteful use of electric facilities and services. The Commission has explained in these cases that it is counterproductive to allow a public utility to build new and duplicative facilities in the certified service territory of the incumbent local area service provider just so that certain customers have the ability to bypass the existing local service provider because the cost of the idled facilities are then shifted to the remaining captive retail and wholesale customers unable to benefit from the bypass, resulting in increased rates to such remaining customers.⁴³

40. It is not clear to Southern Pioneer at this time whether KPP or the City of Kingman will ultimately own, operate and maintain the newly proposed electric facilities, or the exact classification of the function of the facilities as providing a wholesale local transmission service and/or retail distribution service under Kansas law. However, what is clear to Southern Pioneer is that KPP is attempting to extend new services into Southern Pioneer's certified service territory, interfering with and constituting an unreasonable and wasteful duplication of capital-intensive facilities and services already provided by Southern Pioneer in direct violation of established Commission policy, the public policy of the State of Kansas, and the specific public interest analysis from the 14-170 Docket that relates directly to the facts at hand.

41. Southern Pioneer has existing sub-transmission and distribution lines in the area for service to an existing retail customer as well as prospective retail and/or wholesale customers by and through its 115-34.5 kV SemCrude Substation. It is presently capable of providing 6 MW of service to the City of Kingman through the existing Southern Pioneer Pratt-Cunningham 34.5 kV line. While the existing Southern Pioneer SemCrude Substation would require upgrades

⁴³ *In the Matter of the Complaint of Kansas Power & Light Company v. Getty Gas Gathering, Inc. and the City of Augusta, Kansas*, Docket No. 153, 654-U, pp. 10, 13, (July 12, 1998); *In the Complaint of United Cities Gas Company Against Brock Exploration Corp.*, Docket No. 193, 478-U, Order, ¶ 33 (May 29, 1996).

to serve the full 16 MW Kingman Network Load, Southern Pioneer has and continues to stand ready and willing to serve the full Kingman load through upgrades to its existing SemCrude Substation facilities, as contemplated by the various agreements and dockets as set forth above. ‘Duplicate’ means ‘to double.’⁴⁴ If KPP is allowed to continue with its plan to construct a greenfield 115-34.5 kV substation in order to bypass taking service from Southern Pioneer through the SemCrude 115-34.5 kV Substation, then where there has been one real property acquisition, there will now be two⁴⁵; where there has been one electric substation, there will now be two, where there has been one public utility local transmission service or distribution provider, there will be two.

42. The estimated cost to construct KPP’s new 115-34.5 kV substation and interconnection facilities is materially more than the cost to upgrade the existing SemCrude Substation to accommodate full import transmission service to the City of Kingman 16 MW load. The estimated cost for KPP to build the new 115-34.5 kV substation and interconnection facilities (excluding the 34.5 kV radial line) is approximately \$3.5-\$4.5M. Southern Pioneer understands this cost could be less depending on whether a 115 kV breaker is required for system protection. These facilities would be paid for by KPP and its municipal members, or the City of Kingman.⁴⁶ The estimated cost for Southern Pioneer to upgrade its existing 115-34.5 kV SemCrude Substation (excluding the 34.5 kV radial line) is approximately \$1.1M, a portion of which would be paid for by KPP and its municipal members, or the City of Kingman pursuant to the “Or” cost allocation methodology agreed to by KPP in the 11-597 Settlement. Further, while the duplication of these facilities may ultimately provide a benefit to the City of Kingman

⁴⁴ WEBSTER’S NEW WORLD DICTIONARY, Third College Edition, p. 135.

⁴⁵ KPP and/or the City of Kingman will need to acquire real property on which it will situate the new facilities.

⁴⁶ There is also the possibility these facilities will eventually be sold to another entity and rolled up into that entity’s rates so that all customers in Kansas end up paying for them. Further explanation of this concern is set forth in subsection C below.

customers by avoiding the LADS payment for service over Southern Pioneer's 34.5 kV system, it will be detrimental to the rest of the Southern Pioneer wholesale LADS customers (including KPP members the City of Greensburg and the Greensburg Windfarm) and captive retail customers who will be left with paying for the "sunk" costs of Southern Pioneer's 34.5 kV facilities built and intended to serve all 34.5 kV customers, including KPP and the City of Kingman. Southern Pioneer's 34.5 kV cost of service is spread among all the wholesale and retail customers of Southern Pioneer on a load ratio share basis. When only certain customers are able to leave Southern Pioneer's 34.5 kV system and obtain service from another utility, the cost of the 34.5 kV facilities being paid for by the revenues contributed by those customers who are lost to bypass are then shifted to those captive customers who do not have the option to leave the system, resulting in increased wholesale local access and retail 34.5 kV rates to the remaining Southern Pioneer customers. The cost of each utility's electric facilities is included in their respective rate bases and ultimately Kansas ratepayers are paying for extra, inefficient, and costlier facilities. This is not beneficial to the public generally.

43. In summary, the proposed construction by KPP of a new 115-34.5 kV substation and interconnection facilities right next to Southern Pioneer's existing 115-34.5 kV SemCrude Substation will result in the unnecessary duplication of existing facilities, economic waste, and higher electric rates burdening existing Southern Pioneer wholesale LADS and retail customers. KPP cannot show there is a need for the proposed facilities that cannot be served through more economic and justifiable upgrades to Southern Pioneer's existing electric facilities already providing service in Southern Pioneer's certified retail service territory. Unlike the proposed KPP facilities which will service just one customer - the City of Kingman - the Southern Pioneer facilities, as upgraded, would provide economies of service, as the upgraded facilities would be

available to serve other prospective wholesale or retail load in the area in addition to the full Kingman Network Load. Further, as the certified retail electric service provider in the subject territory, and pursuant to Southern Pioneer's obligations in the 11-597 Settlement to provide LADS to wholesale customers other than KPP, Southern Pioneer is obligated to upgrade the 115-34.5 kV SemCrude Substation in the event of a material retail or wholesale customer service request in the immediate area, irrespective of any upgrades to service the Kingman load. This only compounds the unnecessary and wasteful duplication of investment in electric facilities and the burden on ratepayers under KPP's proposal to build, for the benefit of only one customer, its own facilities directly next to the upgraded Southern Pioneer facilities and services already provided by Southern Pioneer. There is no net benefit for the public generally as it relates to KPP and the City of Kingman avoided LADS costs; there is an overall detriment to Kansas customers. Therefore, Southern Pioneer respectfully requests the Commission find the public convenience will not be promoted by construction of the proposed KPP electric facilities and that KPP should be enjoined from building the facilities.

B. Existing Agreements and the Regulatory Compact

44. Generally, and perhaps over simplistically stated, the regulatory compact is the notion that in exchange for an exclusive service territory, a regulated utility accepts the responsibility to provide efficient and effective service to all customers within that territory at regulated rates⁴⁷. The obligation to serve bears with it the obligation to build and maintain facilities capable of meeting the demands of the load within the service territory. In other words, work plans are developed and systems are built (capital is invested) with the expectation that the load for which the system is built will remain dedicated to the utility for cost recovery purposes.

⁴⁷ Regulated rates include the recovery of costs and a reasonable opportunity to earn a fair rate of return on the investment.

KPP's intent to bypass Southern Pioneer's system violates the regulatory compact because Southern Pioneer's system has been, and continues to be, planned and developed based on the fact that the load for the City of Kingman is served off of Southern Pioneer's system. KPP's intended bypass of Southern Pioneer's facilities will result in underutilized facilities (stranded assets) that were built under Southern Pioneer's obligation to serve the City of Kingman. If the Commission allows KPP to bypass Southern Pioneer's 34.5 kV facilities, the remaining 34.5 kV customers of Southern Pioneer will bear the costs of that decision by way of significantly increased rates resulting from the loss of revenue associated with Southern Pioneer's local delivery service to the City of Kingman.

45. Specifically, the City of Kingman load currently represents approximately 7% of Southern Pioneer's total 34.5 kV system load. If KPP is allowed to build its proposed 115-34.5 kV substation and interconnection facilities and move the City of Kingman load off Southern Pioneer's 34.5 kV system, this load will no longer pay its load ratio share portion of the Southern Pioneer 34.5 kV system costs, which payment currently equates to approximately \$324,000 annually.⁴⁸ Every dollar previously paid by this load would be shifted to and paid for by Southern Pioneer's remaining 34.5 kV customers through increased rates. Based on the Southern Pioneer current effective LADS Tariff rate on file with the Commission and utilizing 2015 total 34.5 kV system billing demand, if KPP were to bypass Southern Pioneer's 34.5 kV facilities that provide service to the City of Kingman, Southern Pioneer's LADS Tariff rate would increase approximately 8%, from \$4.19 per kW to \$4.53 per kW, and Southern Pioneer's retail rates would also experience a corresponding increase, with such increase being reflected in

⁴⁸ Southern Pioneer's current effective LADS Tariff rate is \$4.19/kW per month, as approved by Commission Order on August 2, 2016 in Docket No. 16-SPEE-501-TAR; and Southern Pioneer's current effective Property Tax Surcharge Rider rate is \$0.315819/kW per month, approved by Commission Order on January 21, 2016 in Docket No. 16-SPEE-306-TAR.

the composite retail rate. Additionally, utilizing the same analysis, Southern Pioneer's Property Tax Surcharge rate would increase approximately 28%, from \$0.315819 per kW to \$0.405536 per kW. Allowing KPP to bypass the Southern Pioneer 34.5 kV facilities is contrary to the public interest because it violates the Regulatory Compact and unduly burdens the remaining Southern Pioneer ratepayers who must bear the costs of facilities that were built and maintained in consideration of the City of Kingman load.

46. KPP's attempt at bypass is also inconsistent with previous agreements between the parties that Southern Pioneer acted in reliance on, unjustly enriching KPP. It was always Southern Pioneer's understanding and intent under the Global Settlement Agreement with KPP that KPP requested Mid-Kansas pursue the acquisition of the Ninnescah Transmission Line to allow Southern Pioneer to build out to the line and relieve the transmission service constraint currently inhibiting full import service to the City of Kingman. After extensive negotiations with Ninnescah, Mid-Kansas and Southern Pioneer acted in reliance on KPP's assertions and Mid-Kansas purchased the line at a substantial premium, with the understanding KPP was committed to Southern Pioneer and Mid-Kansas to interconnect with the Ninnescah Transmission Line through upgrades to Southern Pioneer's existing 115-34.5 kV SemCrude Substation at the cost allocation methodology expressly approved in the 11-597 Settlement, in order to provide full LADS over Southern Pioneer's 34.5 kV system to the City of Kingman. The ability to assist KPP and the City of Kingman by providing a more economical transmission service solution and the continued LADS payment from KPP to Southern Pioneer was the primary reason for purchasing the Ninnescah Transmission Line and paying the acquisition premium. Southern Pioneer's obligation as a Mid-Kansas member for the costs associated with the purchase of the Ninnescah Line is approximately 20% due to Southern Pioneer's load-ratio share of the Mid-

Kansas transmission facilities, assessed to Southern Pioneer under the Mid-Kansas transmission formula based rate. Southern Pioneer would have never accepted a deal that obligated it to pay for a portion of the Ninnescah Line acquisition if there was a potential for KPP to bypass Southern Pioneer's SemCrude Substation facility. KPP's actions subsequent to the execution of the Global Settlement Agreement in August of 2014, requesting and meeting to discuss the scoping and engineering of the SemCrude Project, as well as its continued written assurances to Southern Pioneer and Mid-Kansas of its commitment to the SemCrude Project, demonstrate that this was also KPP's understanding of the Global Settlement Agreement. Yet KPP now asserts, as stated in the April 5, 2016 letter from KPP's CEO, provided in Exhibit O, that the Global Settlement Agreement provides the right for KPP to bypass any of Southern Pioneer's 34.5 kV sub-transmission facilities, citing paragraph 4 of the Global Settlement Agreement. However, KPP conveniently left out citing the remainder of the paragraph clearly referencing Southern Pioneer and KPP's agreement that KPP could only bypass Southern Pioneer's 34.5 kV facility at Greensburg and interconnect directly to Mid-Kansas's 115 kV transmission line for delivery of energy from the GWF to the City of Greensburg.⁴⁹ Nowhere in the Global Settlement Agreement does it provide for Southern Pioneer's agreement that KPP could bypass any of Southern Pioneer's 34.5 kV facilities. The understanding that Southern Pioneer would be securing continued LADS revenue for service to the City of Kingman was the major consideration for Southern Pioneer entering into the Global Settlement Agreement. For KPP to now assert differently calls into question whether it was acting in good faith at the time it entered into the Global Settlement Agreement.

⁴⁹ See Global Settlement Agreement, ¶4(a), stating, "Mid-Kansas and Southern Pioneer agree not to oppose the bypass by KPP of Southern Pioneer's 34.5 kV facilities and allow KPP, at its cost, to connect directly to Mid-Kansas' 115 kV line for delivery of energy from the Greensburg Wind Farm to the City of Greensburg consistent with the rules and procedures of the Southwest Power Pool ("SPP") Open Access Transmission Tariff."

47. Southern Pioneer and Mid-Kansas have put forth significant time, money and effort over the last several years to provide KPP options reflecting the most cost effective transmission service solution for full service to the City of Kingman - options provided to KPP that provide for equitable cost allocation methodologies in lieu of KPP having to incur the full cost to upgrade the Southern Pioneer Pratt-Cunningham 34.5 kV line as is currently required by SPP in the 2009 Aggregate Study for full Network Service to the City of Kingman Network Load.

48. Despite all of Southern Pioneer and Mid-Kansas' efforts to assist KPP with its local transmission service issues, including those related to the GBWF, KPP now makes known its intent to bypass Southern Pioneer's 34.5 kV facilities and build unreasonably duplicative and economically wasteful facilities right next to Southern Pioneer's facilities in Southern Pioneer's certified service territory solely to avoid the payment of the Southern Pioneer LADS charge for service to the City of Kingman. A Commission determination approving such bypass unjustly enriches KPP and its members to the detriment of other Kansas ratepayers.⁵⁰ This bypass by KPP would result in all Mid-Kansas wholesale and Mid-Kansas Member retail ratepayers unnecessarily incurring the acquisition and premium cost of the Ninnescah Transmission Line, which was purchased by Mid-Kansas in order to accommodate KPP, in addition to the remaining Southern Pioneer wholesale LADS customers (including other KPP

⁵⁰ Unjust enrichment exists where there is "(1) a benefit conferred upon the defendant by the plaintiff; (2) an appreciation or knowledge of the benefit by the defendant; and (3) the acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the defendant to retain the benefit without payment of its value." *Jones v. Culver*, 50 Kan.App.2d 386, 390, 329 P.3d 511, 514 (Jun. 6, 2014). Here, Southern Pioneer and Mid-Kansas have made asset purchases and agreed to reduced LADS rates and energy import allowances to the benefit of KPP, of which KPP was and is aware, and for which KPP has retained the benefit of the reduced Southern Pioneer LADS rate. In other words, should KPP be allowed to bypass Southern Pioneer's facilities, KPP will have received the benefit of the reduced LADS rate, but Southern Pioneer will not obtain the full benefit of its part of the negotiation, which is the continued receipt of the LADS rates.

The Commission has found that it is inappropriate for a utility to take action that would unjustly enrich itself or another entity at the expense of captive ratepayers. See Docket 01-WSRE-949-GIE, Order 65: Order Conditionally Approving Partial Stipulation, ¶6, p. 3 (issued Mar. 11, 2003).

Member Cities⁵¹) and Southern Pioneer retail customers having to pay, through increased LADS rates, a greater share of the Southern Pioneer 34.5 kV facility costs that were built to serve 34.5 kV load, including the City of Kingman load. Southern Pioneer and Mid-Kansas have negotiated and performed in good faith; KPP has not. Equity, as well as policy and law, require the Commission to enjoin KPP's plans to build duplicate facilities to serve Kingman.

49. As previously discussed, pursuant to the Global Settlement Agreement, as part and parcel of the considerations provided KPP in order to resolve in good faith KPP's outstanding transmission service complaints, Southern Pioneer agreed to the specific and limited bypass by KPP of Southern Pioneer's 34.5 kV facility currently providing service to the City of Greensburg and the Greensburg Windfarm. Therefore, should KPP elect per the Global Settlement Agreement to also bypass Southern Pioneer's 34.5 kV at Greensburg, Southern Pioneer's LADS Tariff rate would increase approximately 21% in total, from \$4.19 to \$5.08. Had Southern Pioneer known that KPP was not negotiating the Global Settlement Agreement in good faith and had intentions to subsequently back out of its agreed upon obligations, including the obligation to connect to the Ninnescah Transmission Line through Southern Pioneer's 34.5 kV system at the SemCrude Substation, Southern Pioneer would have never agreed to allow KPP to bypass its 34.5 kV facilities at Greensburg.

C. KPP Proposal Potentially Impairs the Commission's Jurisdiction to the Detriment of Kansas Ratepayers

50. On June 29, 2016, KPP announced that it entered into a Co-Development Agreement with Gridliance to develop transmission projects in Kansas. Specifically, the announcement notes that "GridLiance's subsidiary within the SPP will work with KPP's 31 member cities to jointly plan, construct and operate transmission infrastructure." The

⁵¹ The City of Greensburg and the Greensburg Windfarm.

announcement is attached hereto as **Exhibit R**. Gridliance’s subsidiary that is operating within the SPP is South Central MCN, LLC (“South Central”). The Commission may recall that South Central recently attempted to gain Kansas public utility certification by virtue of a purchase of distribution line owned by Tri-County Electric Cooperative, Inc. (See, Docket No. 16-SCME-227-COC, the “16-227 Docket”) The application filed by South Central was eventually withdrawn but some of the issues raised in that matter concerned the impact of the transaction on Kansas ratepayers as well as the impact to the Commission’s jurisdiction in the event that South Central gained certification in Kansas.⁵²

51. The Co-Development agreement between KPP and Gridliances validates the concerns raised in the 16-227. Not only does the Co-Development agreement raise questions with regard to whether South Central will attempt to circumvent the Commission’s certification jurisdiction by utilizing KPP’s ability to plan, construct, and operate transmission without a Commission certificate of convenience by virtue of KPP’s enabling statute, but perhaps more importantly it raises questions with regard to the cost recovery of the anticipated transmission projects. Part of South Central’s stated strategy is to initially offer to purchase the existing sub-transmission or transmission assets of its public power partners, like KPP, and then subsequently pursue the upgrade or extension of such facilities to interconnect with other transmission facilities, and qualify such facilities as “SPP Transmission Facilities” under Attachment AI of the SPP OATT.⁵³ If South Central is successful in qualifying these facilities as “SPP Transmission Facilities” and obtaining a Transmission Formula Rate at the Federal Energy Regulatory Commission (FERC), costs for local facilities benefiting only KPP that would otherwise be

⁵² Petitions to Intervene of Sunflower Electric Power Corporation , Pioneer Electric Cooperative, Inc. and Southern Pioneer Electric Company, Westar Energy, Wheatland Electric Cooperative, Inc., Prairie Land Electric Cooperative, Inc., Victory Electric Cooperative Assn., Inc., Lane Scott Electric Cooperative, Inc., and Midwest Energy, Inc. See also, Joint Reply to South Central Response to Motion for Procedural Schedule (filed Feb. 10. 2016).

⁵³ See Docket No. 16-227 Docket, Application of South Central, (Nov. 2, 2015).

borne 100% by KPP members would potentially become directly allocated to all customers (including Southern Pioneer customers) located in the Mid-Kansas transmission zone pursuant to SPP cost allocation policies, thereby alleviating the costs burden for KPP members to the detriment of all other Kansas ratepayers. Such treatment is inequitable and not in the public interest.

52. It is reasonable to assume that KPP's current plan to bypass Southern Pioneer's SemCrude Substation facilities has been contemplated with the intent to do this very thing, and the Commission should be concerned about the resulting implications to its certification and rate-making jurisdiction. While Kansas law provides the Commission the power to regulate the transmission rates of cooperatives and joint actions agencies like KPP who are exempt from FERC rate regulation, South Central is fully regulated by FERC pursuant to the Federal Power Act and, therefore, FERC has exclusive jurisdiction over South Central's established cost of service and rates for its transmission facilities. The annual transmission revenue requirement (ATRR) for any transmission facilities constructed and owned by South Central in Kansas will be automatically collected by SPP and passed through to Kansas ratepayers under South Central's FERC-approved transmission formula based rate without review and approval of the rates by the Commission to ensure that only just and reasonable costs are allocated to Kansas ratepayers. If South Central and KPP are successful in qualifying any of the newly proposed KPP facilities as SPP transmission under Attachment AI of the SPP OATT, not only will Southern Pioneer ratepayers pay a a greater share of the Southern Pioneer 34.5 kV facility costs due to KPP bypassing Southern Pioneer's 34.5 kV system in addition to the allocated costs of the Ninnescah Transmission Line acquisition, but all transmission customers of Mid-Kansas, including Southern Pioneer retail and wholesale customers, will be directly allocated their

respective load-ratio share of 100% of the cost of the proposed KPP facilities charged by SPP directly to the Mid-Kansas transmission zone.

III. Alternatively, If the Commission Determines It Will Not Enjoin KPP From Constructing the Proposed 115-34.5 kV Substation and Interconnection Facilities, Then Southern Pioneer Should be Allowed to Charge KPP a Facility Switching Fee.

53. Since the acquisition of the Aquila system in 2007, Southern Pioneer has continually planned its 34.5 kV sub-transmission system to reliably meet the present and projected needs of both its native retail and firm wholesale loads, including KPP. In fact, Southern Pioneer has had to make substantial investments in its 34.5 kV system over the past 8 years in order to bring it within acceptable service and reliability standard practices to support existing retail and wholesale loads. This included upgrades to its 34.5 kV system providing enhanced reliability to the City of Kingman. These necessary capital investments have been the primary driver for Commission-approved increases to Southern Pioneer's 34.5 kV LADS Tariff rate and 34.5 kV retail rates over the past several years.⁵⁴

54. The 11-597 Settlement was entered into by Mid-Kansas and its Members (including Southern Pioneer), in order to recognize and address in good faith the concerns of wholesale customers KPP and KEPCo regarding the obligation to serve and provide a single point of contact under which wholesale customers would take local access delivery service over the Mid-Kansas Members' respective 34.5 kV systems.

55. The 11-597 Settlement requires that Southern Pioneer, by and through its agent, Mid-Kansas, provide local access delivery service over its 34.5 kV system to wholesale customers pursuant to the terms and conditions of the Mid-Kansas OATT and LADS agreements. This includes the express obligation for Southern Pioneer to plan and build the 34.5

⁵⁴ See Docket Nos. 16-SPEE-501-TAR-, 15-SPEE-161-RTS, 13-MKKEE-699-RTS, and 12-MKKEE-380-RTS.

kV facilities necessary to meet the present and future needs of both native retail customers as well as wholesale LADS customers on a comparable basis. The costs incurred by Southern Pioneer's obligation to plan for the needs of 34.5 kV wholesale customer network load are included in Southern Pioneer's 34.5 kV revenue requirement and paid for by all Southern Pioneer wholesale LADS and retail customers on a load-ratio share basis.

56. Also as part of the 11-597 Settlement, Mid-Kansas implemented a formal and robust 34.5 kV system planning process to meet the needs of wholesale LADS customers. The process is mirrored after the SPP integrated transmission planning process in Attachment O of the SPP OATT, and provides for active participation by wholesale customers, the Mid-Kansas Members and other affected stakeholders. Wholesale LADS customers submit load forecasts, and Mid-Kansas runs the necessary planning studies and works with the Members and wholesale LADS customers to determine what new facilities (34.5 kV facilities and in some cases, transmission facilities) are required to meet the needs identified in the study results.

57. It is grossly inequitable to require Southern Pioneer to plan and build or upgrade the 34.5 kV sub-transmission facilities necessary to serve the needs of wholesale LADS customers' firm Network Loads under long-term local transmission service agreements, when the same wholesale LADS customers requesting the long-term service could leave Southern Pioneer's system at any point in time without being required to bear their equitable share of the costs incurred to provide the service. Southern Pioneer agreed to the 11-597 Settlement with the understanding that in return for Southern Pioneer opening its 34.5 kV sub-transmission facilities to provide local access delivery service to wholesale LADS customers under certain terms and conditions, there would be available a long-term wholesale LADS revenue stream to support and recover the cost of the prudent capital investments in the facilities necessary to accommodate the

present and forecasted load levels of Southern Pioneer's wholesale customers. As discussed above, the sudden and unilateral departure of wholesale LADS load from the 34.5 kV system causes direct harm to the remaining wholesale LADS customers and captive retail customers of Southern Pioneer, who will be required to supply the 34.5 kV facility revenue previously paid by the departed load through increased 34.5 kV rates.

58. Further, if wholesale customers are allowed to leave or bypass the 34.5 kV system at any point in time to avoid payment of the LADS rate, it will become extremely difficult for Southern Pioneer and Mid-Kansas to accurately forecast load. This will lead to less accurate system planning, which is likely to result in wasteful or inadequate system investments, unnecessarily raising rates to Southern Pioneer's wholesale LADS and retail customers.

59. For the reasons stated above, in the event the Commission determines that KPP may build the proposed 115-34.5 kV greenfield substation and interconnection facilities and bypass or switch its load from the Southern Pioneer 34.5 kV system to a new interconnection point, then Southern Pioneer requests the Commission obligate KPP to hold the remaining wholesale and retail customers of Southern Pioneer harmless by allowing Southern Pioneer to charge KPP a facility switching fee in the amount of \$2,505,077.29, equal to the net present value of KPP's LADS charge at 6 MW under Southern Pioneer's current Commission-approved LADS Tariff rate, over a ten-year planning horizon based upon Southern Pioneer and Mid-Kansas 34.5 kV local delivery planning for KPP's long-term local delivery NITS. Attached hereto as **Exhibit S** is the supporting analysis for the requested switching fee.

60. The proposed method for calculating the facility switching fee is based on the Revenues Lost Formula adopted by the Federal Energy Regulatory Commission in Order No. 888 for calculating stranded cost charges to customers switching power suppliers. The

methodology considers the contribution to Southern Pioneer's 34.5 kV system costs that will be lost if KPP's City of Kingman load leaves Southern Pioneer's system, calculated over a ten year planning horizon.⁵⁵ The methodology also considers the potential savings in transmission costs if transmission facilities might be avoided due to the move, as well a potential increased costs if additional facilities must be constructed to address reliability issues caused by the move.⁵⁶

61. A facility fee such as the one proposed here by Southern Pioneer is an acceptable regulatory tool for addressing the inequity that would result if large customers are allowed to bypass a distribution or transmission system built, in part, to serve their needs. In Docket No. 00-KGSG-162-PGA ("00-162 Docket"), the Commission Staff addressed Kansas Gas Service's request to establish a Full Requirements Termination Charge for customers abandoning KGS' gas sales service to become transportation-only customers. Staff accepted the concept of the Full Requirements Termination Charge, but recommended against its approval in KGS' case because KGS failed to show there was any actual incurred expense or additional risk justifying the charge.⁵⁷ Ultimately, the Commission rejected the Full Requirements Termination Charge because it was tied to the underlying proposal in the docket which was rejected.⁵⁸ The Commission acknowledged its ability to impose a charge for a customer exiting a system, but chose not to approve it in that case due to other reasons.⁵⁹

⁵⁵ Southern Pioneer recognizes that there is no ideal way of calculating a switching fee. The methodology proposed is consistent with the methodology posed by a SPP transmission owner requesting a transmission switching fee for a departing transmission customer in FERC Docket No. ER16-1772-000.

⁵⁶ In this specific case of Kingman, there are no avoided transmission costs or need for additional facilities to be considered.

⁵⁷ *In the Matter of the Application of Kansas Gas Service Company, a Division of ONEOK, Inc. for Approval of an Assignment Agreement, Gas Sales Agreement and a Gas Purchase Agreement Between Kansas Gas Service Company and ONEOK Gas Marketing Company, and for Authority to Pass Through Gas Purchase Costs Through Its Cost of Gas Rider, to Establish a Full Requirements Termination Charge Tariff, and to Modify Certain of Its Tariffs*, Direct Testimony of staff witness, Mr. Kyle Klem, filed February 14, 2000, pp. 5, 9–10.

⁵⁸ Commission Order issued in the 00-162 Docket on April 27, 2000, p. 12, ¶40.

⁵⁹ The Commission's authority to impose such a charge should not be in question. If the Commission lacked such authority, it would not have been necessary in K.S.A. 55-1,107 to specifically prohibit the Commission from imposing an "exit fee" on customers in the limited situation where they elect to purchase natural gas or gas gathering

62. Additionally, the Commission approved an early termination fee for Midwest Energy in its Pump Rider Tariff.⁶⁰ While the tariff was voluntary, entities who committed to participate and either voluntarily terminated or were expelled from the program were subject to a termination fee. The Full Requirements Termination Charge proposed by KGS and the Early Termination Fee approved for Midwest are similar to the Facility Switching Fee requested by Southern Pioneer. There is a very legitimate basis for establishing a Facility Switching Fee in this case, and, unlike KGS, Southern Pioneer has presented sufficient evidence to support the calculation of such charge.⁶¹

63. Further, such a fee is consistent with the provisions of RESA. For example, K.S.A. 66-1,176 requires a city attempting to annex an area served by a certificated utility to provide to the certificated utility fair and reasonable compensation for the depreciated assets, an amount equal to two times the gross revenues attributable to the terminated customers, and an amount equal to the state and federal tax liability created by the taxable income resulting from the annexation.⁶² Additionally, subsection (a) requires consideration of supplier contracts that may be considered as stranded investment to the utility as a result of the transaction. While the situation with KPP does not involve an annexation of Southern Pioneer's certificated area, the underlying facts surrounding KPP's actions are certainly analogous, and the clear policy intent of RESA - to ensure that the certificated utility and their customers are protected from economic

services from another person offering gas gathering services.

⁶⁰ The tariff was originally approved in Docket No. 10-MDWE-601-TAR.

⁶¹ Of interest to note, in the 11-597 Docket, KPP witness, Mr. Larry Holloway filed testimony on Oct. 10, 2011, discussing the appropriate test for classifying certain assets of the Mid-Kansas Members' as between distribution and transmission function. As part of that testimony, Mr. Holloway included Exhibit LWH-3, which is an expert of Order 888 of the Federal Regulatory Energy Commission (FERC). On page 3 of Exhibit LWH-3, the FERC identified the seven-factor test used to determine whether facilities are distribution or transmission and noted, that "[t]he NOPR [in question] concluded that the application of these tests will enable states to address stranded costs by imposing an exit fee on departing retail customers..." It appears from this discussion that FERC too believes it entirely appropriate to allow exit fees for stranded costs, such as would be the case in the event KPP bypasses the Southern Pioneer system.

⁶² K.S.A. 66-1,176(c).

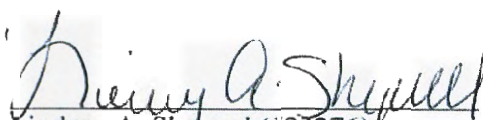
harm resulting from these type of transactions – should be paramount in the Commission’s determination in this matter.

64. As stated above, the Regulatory Compact is a contract between the State, the utility and its customers. The Facility Switching Fee proposed by Southern Pioneer is akin to an early termination provision in a contract and is necessary to protect other customers of the utility who are also parties to the contract.

65. The proposed facility switching fee is just and reasonable. In the event the Commission chooses not to enjoin KPP from building duplicative facilities and bypassing Southern Pioneer’s system, the Commission should approve the fee as it is an appropriate mechanism to address the costs that would be required to be paid by Southern Pioneer’s remaining wholesale and retail loads which would have been otherwise borne by KPP had KPP not departed the system. KPP is willingly choosing to build its own sub-transmission/distribution system solely to avoid payment of Southern Pioneer’s LADS charge for 34.5 kV service to the City of Kingman despite Southern Pioneer’s belief that KPP, Southern Pioneer and Mid-Kansas all entered into the 11-597 Settlement and Global Settlement Agreement as good faith settlements of KPP’s 34.5 kV LADS issues. Obligating KPP to a switching fee will ensure that 34.5 kV costs incurred on behalf of the City of Kingman and KPP are not unnecessarily and inequitably shifted to the remaining wholesale LADS customers (including KPP members) and retail customers of Southern Pioneer who continue to honor the regulatory compact.

WHEREFORE, pursuant to K.A.R. 82-1-220(b)(3), Complainant requests that the Commission grant to it the following specified relief: (1) that the Commission find the 115-34.5 kV substation and interconnection facilities proposed to be constructed by KPP constitute an

unnecessary and wasteful duplication of facilities and service in Southern Pioneer's certified service territory that are not consistent with the regulatory compact or previous agreements and are not in the public interest, and that the Commission enjoin KPP from building the proposed facilities; (2) or alternatively, that the Commission allow Southern Pioneer to charge KPP a facility switching fee in the amount of \$2,505,077.29 as proposed herein, in order to hold Southern Pioneer's wholesale LADS and retail customers harmless from paying for costs incurred to serve KPP, resulting from KPP's choice to bypass Southern Pioneer's 34.5 kV system by constructing its own facilities in Southern Pioneer's certified service territory.



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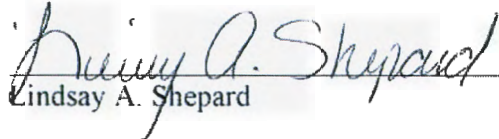
**COUNSEL FOR SOUTHERN PIONEER
ELECTRIC COMPANY**

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF GRANT) ss:

Lindsay A. Shepard, of lawful age, being first duly sworn on oath states:

That she is counsel for Southern Pioneer Electric Company; that she has read the foregoing complaint and knows the contents thereof; and that the facts therein are true and correct to the best of her knowledge, information, and belief.



Lindsay A. Shepard

SUBSCRIBED AND SWORN to before me this 6th, day of September, 2016.



Notary Public

My Commission expires: 12/3/16

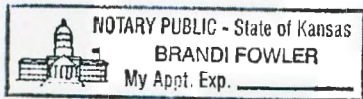


EXHIBIT A

ATTACHMENT F

SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE

This Network Integration Transmission Service Agreement ("Service Agreement") is entered into this 11th day of January, 2012, by and between **Kansas Power Pool** ("KPP" or "Network Customer"), and **Mid-Kansas Electric Company, LLC** ("Mid-Kansas" or "Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Kansas Corporation Commission ("Commission") as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners of the 34.5 kV and lower voltage facilities used to serve Network Customer and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0** The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC Attachment F – Service Agreement for Network Integration Transmission Service

- 2.0** The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached specifications.
- 3.0** The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0** Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective coterminous with that certain Service Agreement for Network Integration Transmission Service by an between Network Customer and the Southwest Power Pool, Inc. ("SPP NITSA") as such SPP NITSA shall be in effect from time to time provided that this Service Agreement may be terminated by the Network Customer by giving the Transmission Provider one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges, including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.
- 5.0** The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.
- 6.0** Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

EXHIBIT A

**Kansas Power Pool – Mid-Kansas Electric Company, LLC
Attachment F – Service Agreement for Network Integration Transmission Service**

Mid-Kansas (Transmission Provider)
Mid-Kansas Electric Company, LLC
President and CEO
301 West 13th Street
P.O. Box 980
Hays, Kansas 67601
Phone: 800-354-3638
Fax: 785-623-3395

KPP (Network Customer)
CEO and General Manager
Kansas Power Pool
200 West Douglas Avenue, Suite 601
Wichita, Kansas 67202
Phone: 316-264-3166
Fax: 316-264-3434

- 7.0** This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.
- 8.0** Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under applicable law and any rules and regulations promulgated thereunder, or the Network Customer's rights under applicable law and rules and regulations promulgated thereunder.
- 9.0** By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

EXHIBIT A

**Kansas Power Pool – Mid-Kansas Electric Company, LLC
Attachment F – Service Agreement for Network Integration Transmission Service**

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

 smurcraft
Signature

 Stuart S. Lowmy
Printed name

 President and CEO
Title

 10/29/12
Date

NETWORK CUSTOMER

 L W Holloway
Signature

 Larry W Holloway
Printed name

 Interim General Manager
Kansas Power Pool
Title

 10/26/2012
Date

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC
Attachment F – Service Agreement for Network Integration Transmission Service

**Attachment 1 to the Network Integration Transmission Service Agreement
BETWEEN MID-KANSAS ELECTRIC COMPANY, LLC and KANSAS POWER POOL
SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

1.0 Network Resources

The Network Resources are listed in Appendix 1.

2.0 Network Loads

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the Sunflower Electric Power Corporation (“Sunflower”) Control Area as listed in Appendix 2.

The Network Customer’s Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as required by Transmission Provider for billing. The Network Customer’s load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters, may be substituted for hourly integrated demand data.

Measurements taken and all metering equipment shall be in accordance with the Transmission Provider’s standards and practices for similarly determining the Transmission Provider’s load. The actual hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

3.0 Affected Control Areas and Intervening Systems Providing Transmission Service

The affected control area is Sunflower. The intervening systems providing transmission service are [none].

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC Attachment F – Service Agreement for Network Integration Transmission Service

4.0 Electrical Location of Initial Sources

See Appendix 1.

5.0 Electrical Location of the Ultimate Loads

The loads of KPP identified in Section 2.0 hereof as the Network Load are electrically located within the Sunflower Control Area.

6.0 Delivery Points

The delivery points are the interconnection points of KPP identified in Section 2.0 as the Network Load.

7.0 Receipt Points

The Points of Receipt are listed in Appendix 2.

8.0 Compensation

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

8.1 Transmission Charge

Monthly Demand Charge shall be the Divisional, Local Access Delivery Service Monthly Rate in the Tariff, billed to Local Points of Delivery identified in Appendix 3.

8.2 System Impact and/or Facility Study Charge

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

8.3 Direct Assignment Facilities Charge

8.4 Ancillary Service Charges

8.4.1 The following Ancillary Services are required under this Service Agreement.

- a) Scheduling, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A of the Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC Attachment F – Service Agreement for Network Integration Transmission Service

- d) Regulation and Frequency Response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve – Spinning Reserve Service per Schedule 5 of the Tariff.
- g) Operating Reserve – Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

8.4.2 In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

8.4.3 When the Network Customer elects to self-supply or have a third party provide Ancillary Services and is unable to provide its Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

8.4.4 All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

8.5 Real Power Losses – Transmission

8.6 Real Power Losses – Distribution

The Network Customer shall replace losses in accordance with the Tariff. Loss repayment shall include provision for losses in the Transmission System plus any transformation losses shown in Appendix 3, provided that the transformer loss

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC Attachment F – Service Agreement for Network Integration Transmission Service

factor shown in Appendix 2 shall not apply where transformer loss compensation is included in the delivery point meter settings. To the extent that the Network Customer pays for losses pursuant to the SPP NITSA, it shall not be obligated to pay duplicative charges under the Tariff.

8.7 Power Factor Correction Charge

The Network Customer shall provide adequate reactive compensation for its Network Load to maintain the load power factor at each of the delivery points shown in Appendix 2 between .95 lagging and .98 leading. The Network Customer will correct conditions that result in excessive reactive flows as soon as practical upon notification from the Transmission Provider. If the condition is not promptly corrected, the Network Customer shall compensate the Transmission Provider for excessive reactive flows at a rate consistent with SPP market practices. The Parties shall maintain the system voltages on their respective side of the Receipt Point in accordance with Good Utility Practice.

8.8 Re-dispatch Charge

Re-dispatch charges shall be in accordance with Section 33.3 of the Tariff.

8.9 Wholesale Distribution Service Charge

8.10 Network Upgrade Charges

8.11 Meter Data Processing Charge

8.12 Other Charges

9.0 Credit for Network Customer-Owned Transmission Facilities

10.0 Designation of Parties Subject to Reciprocal Service Obligation

11.0 Other Terms and Conditions

EXHIBIT A

**Kansas Power Pool – Mid-Kansas Electric Company, LLC
Attachment F – Service Agreement for Network Integration Transmission Service**

APPENDIX 1

**Network Resources of
Kansas Power Pool
As Shown in the Appendix 1 of the SPP NITSA**

On the condition that KPP has provided Mid-Kansas with a copy of all applications and related correspondence concerning additional Network Resources at the same time it provides such information to SPP

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC
Attachment F – Service Agreement for Network Integration Transmission Service

Appendix 2

Receipt Points of

KPP

As Shown in Appendix 2 to the SPP NITSA

On the condition that KPP has provided Mid-Kansas with a copy of all applications and related correspondence concerning additional Receipt Points at the same time it provides such information to SPP.

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC
 Attachment F – Service Agreement for Network Integration Transmission Service

APPENDIX 3

LOCAL POINTS OF DELIVERY

Southern Pioneer				
Name: Location	KPP Member	Delivery Volt. (kV)	Metered Volt. (kV)	Transformation % Loss Factor
*Greensburg: Sec. 16, T28S, R18W, Kiowa Co.		34,500	34,500	N/A
**Kingman: Sec. 32, T27S, R10W, Kingman Co.		34,500	34,500	N/A
***Greensburg Wind Farm: Sec. 32, T28S, R 18W, Kiowa Co.		34,500	34,500	N/A

- * Bill the Local Access Delivery Monthly Demand charge, identified in the Tariff, on the metered value that is coincident with the Southern Pioneer 34.5 kV system peak
- ** Bill a 6 MW reservation due to path limit
- *** Bill the Local Access Delivery Monthly Demand charge, identified in the Tariff, on the metered value that is coincident with the Southern Pioneer 34.5 kV system peak.

Western				
Name: Location	KPP Member	Delivery Volt. (kV)	Metered Volt. (kV)	Transformation % Loss Factor
*Luray: SE 1/4, Sec. 6, T11S, R12W, Russell Co.		34,500	34,500	N/A
*Lucas: NE 1/4, Sec. 33, T11S, R11W, Russell Co.		34,500	34,500	N/A
*Holyrood: NE 1/4, Sec. 10, T17S, R10W, Ellsworth Co.		34,500	34,500	N/A

- * Bill the Local Access Delivery Monthly Demand charge, identified in the Tariff, that is the metered value coincident with Western's 34.5 kV system peak

Wheatland				
Name: Location	KPP Member	Delivery Volt. (kV)	Metered Volt. (kV)	Transformation % Loss Factor
*Attica: Sec. 30, T32S, R8W, Harper Co.		34,500	2,400	1.0%
**Kingman: Sec. 6, T28S, R7W, Kingman Co.		34,500	12,470	1.0%

- * Bill the Local Access Delivery Monthly Demand charge, identified in the Tariff, that is the metered value coincident with Wheatland's 34.5 kV system peak
- ** Bill the Local Access Delivery Monthly Demand charge, identified in the Tariff, at 2 MW due to a physical path limit

Southern
Pioneer

ATTACHMENT G

NETWORK OPERATING AGREEMENT

This Network Operating Agreement ("Operating Agreement") is entered into this 11th day of January, 2012, by and between **Kansas Power Pool** ("KPP" or "Network Customer"), **Mid-Kansas Electric Company, LLC** ("Mid-Kansas" or "Transmission Provider") and **Southern Pioneer Electric Company** ("Host Transmission Owner"). The Network Customer, Transmission Provider, and Host Transmission Owner shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Kansas Corporation Commission ("Commission");

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners of the 34.5 kV and lower voltage facilities used to serve Network Customer (the "Transmission System" for purposes of this Operating Agreement) and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner owns the 34.5 kV and lower-voltage facilities to which the Network Customer's Network Load is physically connected or is the Control Area to which the Network Load is dynamically scheduled;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

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NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 Network Service

This Operating Agreement sets out the terms and conditions under which the Transmission Provider, Host Transmission Owner, and Network Customer will cooperate, and the Host Transmission Owner and Network Customer will operate their respective systems, and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Host Transmission Owner and the Network Customer to operate their systems and Control Area, and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

2.0 Designated Representatives of the Parties

- 2.1 Each Party shall designate a representative and alternate (“Designated Representative(s)”) from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, re-dispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated

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Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

3.0 System Operating Principles

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, North American Electric Reliability Corporation (“NERC”), Southwest Power Pool, Inc. (“SPP”), or any successor requirements, industry standards, criteria, and applicable manufacturer’s equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider.
- 3.2 The Host Transmission Owner and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately 60 hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Host Transmission Owner and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that Transmission System integrity and the safety of customers, the public, and employees are maintained or enhanced when such parallel operations are permitted either on a continuing basis or for intermittent switching or other service needs. Each

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Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

- 3.4 The Host Transmission Owner and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption, or reduction, so as to restore normal operating conditions expeditiously.
- 3.6 The Transmission Provider and Host Transmission Owner, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider and Host Transmission Owner, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the Transmission System. The Transmission Provider or Host Transmission Owner, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, re-dispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Host Transmission Owner, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

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4.0 System Planning and Protection

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Host Transmission Owner the following information:
- a) A ten-year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;
 - b) A ten-year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties, which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);
 - c) A ten-year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
 - d) A projection for each of the next ten years of Transmission System facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the Transmission System within the Host Transmission Owner's Control Area.

This information is to be delivered to the Transmission Provider's and Host Transmission Owner's Designated Representatives pursuant to Section 2.0.

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- 4.2 Information exchanged by the Parties under this article will be used for system planning and protection only and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.
- 4.3 The Host Transmission Owner, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Host Transmission Owner will provide the following to the Network Customer:
- a) A statement regarding the ability of the Host Transmission Owner's Transmission System to meet the forecasted deliveries at each of the delivery points;
 - b) A detailed description of any constraints on the Host Transmission Owner's system within the five-year horizon that will restrict forecasted deliveries; and
 - c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of the Host Transmission Owner and the Network Customer to identify appropriate remedies for such constraints, including but not limited to: construction of new Transmission System facilities, upgrades, or other improvements to existing Transmission System facilities, or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff.

For all other constraints, the Host Transmission Owner, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service

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sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Host Transmission Owner and the Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and Transmission System facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Host Transmission Owner regarding the technical and engineering arrangements for the delivery points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall design and build the facilities to avoid interruptions on the Host Transmission Owner's Transmission System.
- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the NERC Standards and SPP Criteria related to emergency operations.

5.0 Maintenance of Facilities

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Host Transmission Owner's Transmission System consistent with Good Utility Practice. The

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Transmission Provider or Host Transmission Owner, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission or distribution facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Host Transmission Owner may seek as a result any appropriate relief from the Commission.

- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission, distribution and substation facilities, to the greatest extent practical, to ensure sufficient Transmission System resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a Transmission System line or substation. The Transmission Provider shall coordinate clearances with the Host Transmission Owner. The Network Customer shall notify the Transmission Provider and the Host Transmission Owner as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

6.0 Scheduling Procedures

- 6.1 Prior to the beginning of each week, the Network Customer shall provide to the Transmission Provider expected hourly energy schedules for that week for all energy flowing into the Transmission System administered by Transmission Provider.

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6.2 In accordance with the general provisions of Section 35 of the Tariff and the specific SPP requirements set forth in Section 36 of the SPP Tariff, the Network Customer shall provide to the Transmission Provider the Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the Transmission System administered by the Transmission Provider. The Network Customer may modify its hourly energy schedules up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The hourly schedule must be stated in increments of 1,000 kW per hour. The Network Customer shall submit, or arrange to have submitted, to the Transmission Provider a NERC transaction identification Tag where required by NERC Standard INT-001. These hourly energy schedules shall be used by the Transmission Provider to determine whether any Energy Imbalance Service charges, pursuant to Schedule 4 of the Tariff apply.

7.0 Ancillary Services

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or Host Transmission Owner or, where applicable, self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

8.0 Metering

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment, and telemetering equipment. The

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Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's and Host Transmission Owner's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Host Transmission Owner access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, the Host Transmission Owner shall make available, upon request, all load data and other data obtained by the Host Transmission Owner from the relevant delivery point meter, if available utilizing existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate, or maintain any meter or related equipment that is not approved for use by the meter owner and/or Host Transmission Owner, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals, and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Host Transmission Owner, a special test shall be made. But if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two

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percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.

- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied. For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile, must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

9.0 Connected Generation Resources

- 9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the Transmission System.
- 9.2 For all Network Resources of the Network Customer, the Network Customer shall provide the following generation telemetry readings to Balancing Authority, or such other information, in the form and at the times

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that are consistent with requirements for “Network Resources” under the SPP Tariff:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

10.0 Re-dispatching, Curtailment, and Load Shedding

- 10.1 In accordance with Section 33 of the SPP Tariff, SPP may require re-dispatching of generation resources or curtailment of loads to relieve existing or potential Transmission System constraints. SPP shall be primarily responsible for actions under Section 33 of the SPP Tariff.
- 10.2 Solely with respect to situations for which SPP is not responsible or cannot act, the Parties shall implement load-shedding procedures to maintain the reliability and integrity for the Transmission System as provided in Section 33.1 of the SPP Tariff and in accordance with applicable NERC and SPP requirements and Good Utility Practice. Load shedding may include: (1) automatic load shedding, (2) manual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Host Transmission Owner shall notify the Network Customer’s dispatcher or schedulers of the required action and the Network Customer shall comply immediately.
- 10.3 The Network Customer will coordinate with the Host Transmission Owner to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and the Host Transmission Owner shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

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11.0 Communications

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and the Host Transmission Owner's Control Area.

12.0 Cost Responsibility

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Host Transmission Owner, and Transmission Provider to implement the provisions of this Operating Agreement, including but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is not inconsistent with Commission policy.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network Customer, Host Transmission Owner, and Transmission Provider for ongoing operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is not inconsistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or

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relocation of equipment required to accommodate service provided under this Operating Agreement.

13.0 Billing and Payments

Billing and Payments shall be in accordance with Section 7 of the Tariff.

14.0 Dispute Resolution

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

15.0 Assignment

15.1 This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

15.3 So long as Mid-Kansas is the Transmission Provider, [Name] shall deal with Mid-Kansas, as agent for [Member], with respect to the Host Transmission Owner's rights and obligations under Sections 3.3 (approval of Delivery Point changes), 4.1 (system planning), 5.3 (clearances for maintenance activities), 6.1 and 6.2 (scheduling), 7.1 (ancillary services), 9.2 (telemetry information), 10.2 and 10.3 (load shedding), 13.0 (billing), and 20.0 (notice). During the period of Mid-Kansas' agency, [Member] may perform directly or through Mid-Kansas, as agent, with respect to the Host Transmission Owner's rights and obligations under Sections 3.2 (inspection of facilities and records), 3.5 (removing impairments), 3.6 and 3.7 (emergencies), and 5.1 (opening the interconnection).

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16.0 Choice of Law

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Kansas, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

17.0 Entire Agreement

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

18.0 Unilateral Changes and Modifications

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under applicable law and rules and regulations promulgated thereunder.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under applicable law and pursuant to rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

19.0 Term

This Operating Agreement shall become effective on the date assigned by the Commission ("Effective Date"), and shall continue in effect until the Tariff or the

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Network Customer's Service Agreement is terminated, whichever shall occur first.

20.0 Notice

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Mid-Kansas (Transmission Provider)

Mid-Kansas Electric Company, LLC
President and CEO
301 West 13th Street
P.O. Box 980
Hays, Kansas 67601
Phone: 800-354-3638
Fax: 785-623-3395
Email

[Host Transmission Owner]

Southern Pioneer Electric Company
President and CEO
1850 West Oklahoma
P.O. Box 368
Ulysses, KS 67880
(800) 794-9302
(620) 794-9302
Email

[Network Customer]

Kansas Power Pool
General Manager
200 W Douglas, Suite 601
Wichita, KS 67202
(316) 264-3166
(316) 264-3434
Email

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

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20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, email, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

21.0 Execution In Counterparts

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.


TRANSMISSION PROVIDER


Signature
Stuart S. Lowry
Printed name
President and CEO
Title
10/29/12
Date

HOST TRANSMISSION OWNER


Signature
Stephen J. Epperson
Printed name
CEO
Title
10.29.12
Date

NETWORK CUSTOMER


Signature
Larry W. Holloway
Printed name
Interim General Manager
Title
Kansas Power Pool
Title
10/26/2012
Date

ATTACHMENT G

NETWORK OPERATING AGREEMENT

This Network Operating Agreement ("Operating Agreement") is entered into this 11th day of January, 2012, by and between **Kansas Power Pool** ("KPP" or "Network Customer"), **Mid-Kansas Electric Company, LLC** ("Mid-Kansas" or "Transmission Provider") and **Western Cooperative Electric Association, Inc.** ("Host Transmission Owner"). The Network Customer, Transmission Provider, and Host Transmission Owner shall be referred to individually as "Party" and collectively as "Parties."

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WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners of the 34.5 kV and lower voltage facilities used to serve Network Customer (the "Transmission System" for purposes of this Operating Agreement) and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner owns the 34.5 kV and lower-voltage facilities to which the Network Customer's Network Load is physically connected or is the Control Area to which the Network Load is dynamically scheduled;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

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NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 Network Service

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2.0 Designated Representatives of the Parties

- 2.1 Each Party shall designate a representative and alternate (“Designated Representative(s)”) from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, re-dispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated

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Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

3.0 System Operating Principles

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, North American Electric Reliability Corporation (“NERC”), Southwest Power Pool, Inc. (“SPP”), or any successor requirements, industry standards, criteria, and applicable manufacturer’s equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider.
- 3.2 The Host Transmission Owner and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately 60 hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Host Transmission Owner and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that Transmission System integrity and the safety of customers, the public, and employees are maintained or enhanced when such parallel operations are permitted either on a continuing basis or for intermittent switching or other service needs. Each

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Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

- 3.4 The Host Transmission Owner and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption, or reduction, so as to restore normal operating conditions expeditiously.
- 3.6 The Transmission Provider and Host Transmission Owner, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider and Host Transmission Owner, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the Transmission System. The Transmission Provider or Host Transmission Owner, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, re-dispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Host Transmission Owner, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

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4.0 System Planning and Protection

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Host Transmission Owner the following information:
- a) A ten-year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;
 - b) A ten-year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties, which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);
 - c) A ten-year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
 - d) A projection for each of the next ten years of Transmission System facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the Transmission System within the Host Transmission Owner's Control Area.

This information is to be delivered to the Transmission Provider's and Host Transmission Owner's Designated Representatives pursuant to Section 2.0.

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- 4.2 Information exchanged by the Parties under this article will be used for system planning and protection only and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.
- 4.3 The Host Transmission Owner, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Host Transmission Owner will provide the following to the Network Customer:
- a) A statement regarding the ability of the Host Transmission Owner's Transmission System to meet the forecasted deliveries at each of the delivery points;
 - b) A detailed description of any constraints on the Host Transmission Owner's system within the five-year horizon that will restrict forecasted deliveries; and
 - c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of the Host Transmission Owner and the Network Customer to identify appropriate remedies for such constraints, including but not limited to: construction of new Transmission System facilities, upgrades, or other improvements to existing Transmission System facilities, or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff.

For all other constraints, the Host Transmission Owner, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service

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sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Host Transmission Owner and the Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and Transmission System facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Host Transmission Owner regarding the technical and engineering arrangements for the delivery points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall design and build the facilities to avoid interruptions on the Host Transmission Owner's Transmission System.
- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the NERC Standards and SPP Criteria related to emergency operations.
- 5.0 Maintenance of Facilities**
- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Host Transmission Owner's Transmission System consistent with Good Utility Practice. The

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Transmission Provider or Host Transmission Owner, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission or distribution facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Host Transmission Owner may seek as a result any appropriate relief from the Commission.

- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission, distribution and substation facilities, to the greatest extent practical, to ensure sufficient Transmission System resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a Transmission System line or substation. The Transmission Provider shall coordinate clearances with the Host Transmission Owner. The Network Customer shall notify the Transmission Provider and the Host Transmission Owner as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

6.0 Scheduling Procedures

- 6.1 Prior to the beginning of each week, the Network Customer shall provide to the Transmission Provider expected hourly energy schedules for that week for all energy flowing into the Transmission System administered by Transmission Provider.

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6.2 In accordance with the general provisions of Section 35 of the Tariff and the specific SPP requirements set forth in Section 36 of the SPP Tariff, the Network Customer shall provide to the Transmission Provider the Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the Transmission System administered by the Transmission Provider. The Network Customer may modify its hourly energy schedules up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The hourly schedule must be stated in increments of 1,000 kW per hour. The Network Customer shall submit, or arrange to have submitted, to the Transmission Provider a NERC transaction identification Tag where required by NERC Standard INT-001. These hourly energy schedules shall be used by the Transmission Provider to determine whether any Energy Imbalance Service charges, pursuant to Schedule 4 of the Tariff apply.

7.0 Ancillary Services

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or Host Transmission Owner or, where applicable, self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

8.0 Metering

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment, and telemetering equipment. The

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Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's and Host Transmission Owner's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Host Transmission Owner access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, the Host Transmission Owner shall make available, upon request, all load data and other data obtained by the Host Transmission Owner from the relevant delivery point meter, if available utilizing existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate, or maintain any meter or related equipment that is not approved for use by the meter owner and/or Host Transmission Owner, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals, and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Host Transmission Owner, a special test shall be made. But if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two

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percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.

- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied. For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile, must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

9.0 Connected Generation Resources

- 9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the Transmission System.
- 9.2 For all Network Resources of the Network Customer, the Network Customer shall provide the following generation telemetry readings to Balancing Authority, or such other information, in the form and at the times

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that are consistent with requirements for “Network Resources” under the SPP Tariff:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

10.0 Re-dispatching, Curtailment, and Load Shedding

- 10.1 In accordance with Section 33 of the SPP Tariff, SPP may require re-dispatching of generation resources or curtailment of loads to relieve existing or potential Transmission System constraints. SPP shall be primarily responsible for actions under Section 33 of the SPP Tariff.
- 10.2 Solely with respect to situations for which SPP is not responsible or cannot act, the Parties shall implement load-shedding procedures to maintain the reliability and integrity for the Transmission System as provided in Section 33.1 of the SPP Tariff and in accordance with applicable NERC and SPP requirements and Good Utility Practice. Load shedding may include: (1) automatic load shedding, (2) manual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Host Transmission Owner shall notify the Network Customer’s dispatcher or schedulers of the required action and the Network Customer shall comply immediately.
- 10.3 The Network Customer will coordinate with the Host Transmission Owner to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and the Host Transmission Owner shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

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11.0 Communications

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and the Host Transmission Owner's Control Area.

12.0 Cost Responsibility

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Host Transmission Owner, and Transmission Provider to implement the provisions of this Operating Agreement, including but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is not inconsistent with Commission policy.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network Customer, Host Transmission Owner, and Transmission Provider for ongoing operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is not inconsistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or

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relocation of equipment required to accommodate service provided under this Operating Agreement.

13.0 Billing and Payments

Billing and Payments shall be in accordance with Section 7 of the Tariff.

14.0 Dispute Resolution

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

15.0 Assignment

15.1 This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

15.3 So long as Mid-Kansas is the Transmission Provider, [Name] shall deal with Mid-Kansas, as agent for [Member], with respect to the Host Transmission Owner's rights and obligations under Sections 3.3 (approval of Delivery Point changes), 4.1 (system planning), 5.3 (clearances for maintenance activities), 6.1 and 6.2 (scheduling), 7.1 (ancillary services), 9.2 (telemetry information), 10.2 and 10.3 (load shedding), 13.0 (billing), and 20.0 (notice). During the period of Mid-Kansas' agency, [Member] may perform directly or through Mid-Kansas, as agent, with respect to the Host Transmission Owner's rights and obligations under Sections 3.2 (inspection of facilities and records), 3.5 (removing impairments), 3.6 and 3.7 (emergencies), and 5.1 (opening the interconnection).

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16.0 Choice of Law

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Kansas, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

17.0 Entire Agreement

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

18.0 Unilateral Changes and Modifications

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under applicable law and rules and regulations promulgated thereunder.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under applicable law and pursuant to rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

19.0 Term

This Operating Agreement shall become effective on the date assigned by the Commission ("Effective Date"), and shall continue in effect until the Tariff or the

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Network Customer's Service Agreement is terminated, whichever shall occur first.

20.0 Notice

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Mid-Kansas (Transmission Provider)

Mid-Kansas Electric Company, LLC
President and CEO
301 West 13th Street
P.O. Box 980
Hays, Kansas 67601
Phone: 800-354-3638
Fax: 785-623-3395
Email

[Host Transmission Owner]

Western Cooperative Electric Assn., Inc.
General Manager
P.O. Box 278
WaKeeney, KS 67672-0278
(785) 743-5561
(785) 743-2717
Email

[Network Customer]

Kansas Power Pool
General Manager
200 W Douglas, Suite 601
Wichita, KS 67202
(316) 264-3166
(316) 264-3434
Email

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

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20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, email, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

21.0 Execution in Counterparts

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

TRANSMISSION PROVIDER

Stuart S. Lowmy
Signature

Stuart S. Lowmy
Printed name

President and CEO
Title

10/29/12
Date

HOST TRANSMISSION OWNER

David L. Schneider
Signature

David L. Schneider
Printed name

General Manager
Title

10-29-2012
Date

NETWORK CUSTOMER

Larry W. Holloway
Signature

Larry W Holloway
Printed name
Interim General Manager

Kansas Power Pool
Title

10/26/2012
Date

Wheatland

ATTACHMENT G

NETWORK OPERATING AGREEMENT

This Network Operating Agreement ("Operating Agreement") is entered into this 11th day of January, 2012, by and between **Kansas Power Pool** ("KPP" or "Network Customer"), **Mid-Kansas Electric Company, LLC** ("Mid-Kansas" or "Transmission Provider") and **Wheatland Electric Cooperative, Inc.** ("Host Transmission Owner"). The Network Customer, Transmission Provider, and Host Transmission Owner shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Kansas Corporation Commission ("Commission");

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners of the 34.5 kV and lower voltage facilities used to serve Network Customer (the "Transmission System" for purposes of this Operating Agreement) and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, the Host Transmission Owner owns the 34.5 kV and lower-voltage facilities to which the Network Customer's Network Load is physically connected or is the Control Area to which the Network Load is dynamically scheduled;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement ("Service Agreement") under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

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NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

1.0 Network Service

This Operating Agreement sets out the terms and conditions under which the Transmission Provider, Host Transmission Owner, and Network Customer will cooperate, and the Host Transmission Owner and Network Customer will operate their respective systems, and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Host Transmission Owner and the Network Customer to operate their systems and Control Area, and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

2.0 Designated Representatives of the Parties

- 2.1 Each Party shall designate a representative and alternate (“Designated Representative(s)”) from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, re-dispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Host Transmission Owner, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated

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Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

3.0 System Operating Principles

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, North American Electric Reliability Corporation (“NERC”), Southwest Power Pool, Inc. (“SPP”), or any successor requirements, industry standards, criteria, and applicable manufacturer’s equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Host Transmission Owner and Transmission Provider.
- 3.2 The Host Transmission Owner and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately 60 hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Host Transmission Owner and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that Transmission System integrity and the safety of customers, the public, and employees are maintained or enhanced when such parallel operations are permitted either on a continuing basis or for intermittent switching or other service needs. Each

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Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

- 3.4 The Host Transmission Owner and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption, or reduction, so as to restore normal operating conditions expeditiously.
- 3.6 The Transmission Provider and Host Transmission Owner, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider and Host Transmission Owner, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the Transmission System. The Transmission Provider or Host Transmission Owner, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, re-dispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Host Transmission Owner, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

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4.0 System Planning and Protection

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Host Transmission Owner the following information:
- a) A ten-year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;
 - b) A ten-year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties, which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);
 - c) A ten-year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
 - d) A projection for each of the next ten years of Transmission System facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the Transmission System within the Host Transmission Owner's Control Area.

This information is to be delivered to the Transmission Provider's and Host Transmission Owner's Designated Representatives pursuant to Section 2.0.

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- 4.2 Information exchanged by the Parties under this article will be used for system planning and protection only and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.
- 4.3 The Host Transmission Owner, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Host Transmission Owner will provide the following to the Network Customer:
- a) A statement regarding the ability of the Host Transmission Owner's Transmission System to meet the forecasted deliveries at each of the delivery points;
 - b) A detailed description of any constraints on the Host Transmission Owner's system within the five-year horizon that will restrict forecasted deliveries; and
 - c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of the Host Transmission Owner and the Network Customer to identify appropriate remedies for such constraints, including but not limited to: construction of new Transmission System facilities, upgrades, or other improvements to existing Transmission System facilities, or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff.

For all other constraints, the Host Transmission Owner, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service

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sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Host Transmission Owner and the Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and Transmission System facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Host Transmission Owner regarding the technical and engineering arrangements for the delivery points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall design and build the facilities to avoid interruptions on the Host Transmission Owner's Transmission System.
- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the NERC Standards and SPP Criteria related to emergency operations.

5.0 Maintenance of Facilities

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Host Transmission Owner's Transmission System consistent with Good Utility Practice. The

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Transmission Provider or Host Transmission Owner, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission or distribution facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Host Transmission Owner may seek as a result any appropriate relief from the Commission.

- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission, distribution and substation facilities, to the greatest extent practical, to ensure sufficient Transmission System resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a Transmission System line or substation. The Transmission Provider shall coordinate clearances with the Host Transmission Owner. The Network Customer shall notify the Transmission Provider and the Host Transmission Owner as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

6.0 Scheduling Procedures

- 6.1 Prior to the beginning of each week, the Network Customer shall provide to the Transmission Provider expected hourly energy schedules for that week for all energy flowing into the Transmission System administered by Transmission Provider.

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6.2 In accordance with the general provisions of Section 35 of the Tariff and the specific SPP requirements set forth in Section 36 of the SPP Tariff, the Network Customer shall provide to the Transmission Provider the Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the Transmission System administered by the Transmission Provider. The Network Customer may modify its hourly energy schedules up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The hourly schedule must be stated in increments of 1,000 kW per hour. The Network Customer shall submit, or arrange to have submitted, to the Transmission Provider a NERC transaction identification Tag where required by NERC Standard INT-001. These hourly energy schedules shall be used by the Transmission Provider to determine whether any Energy Imbalance Service charges, pursuant to Schedule 4 of the Tariff apply.

7.0 Ancillary Services

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or Host Transmission Owner or, where applicable, self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

8.0 Metering

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment, and telemetering equipment. The

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Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's and Host Transmission Owner's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Host Transmission Owner access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, the Host Transmission Owner shall make available, upon request, all load data and other data obtained by the Host Transmission Owner from the relevant delivery point meter, if available utilizing existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate, or maintain any meter or related equipment that is not approved for use by the meter owner and/or Host Transmission Owner, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals, and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Host Transmission Owner, a special test shall be made. But if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two

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percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.

- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied. For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile, must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

9.0 Connected Generation Resources

- 9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the Transmission System.
- 9.2 For all Network Resources of the Network Customer, the Network Customer shall provide the following generation telemetry readings to Balancing Authority, or such other information, in the form and at the times

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that are consistent with requirements for “Network Resources” under the SPP Tariff:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

10.0 Re-dispatching, Curtailment, and Load Shedding

- 10.1 In accordance with Section 33 of the SPP Tariff, SPP may require re-dispatching of generation resources or curtailment of loads to relieve existing or potential Transmission System constraints. SPP shall be primarily responsible for actions under Section 33 of the SPP Tariff.
- 10.2 Solely with respect to situations for which SPP is not responsible or cannot act, the Parties shall implement load-shedding procedures to maintain the reliability and integrity for the Transmission System as provided in Section 33.1 of the SPP Tariff and in accordance with applicable NERC and SPP requirements and Good Utility Practice. Load shedding may include: (1) automatic load shedding, (2) manual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Host Transmission Owner shall notify the Network Customer’s dispatcher or schedulers of the required action and the Network Customer shall comply immediately.
- 10.3 The Network Customer will coordinate with the Host Transmission Owner to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and the Host Transmission Owner shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC – Wheatland Electric Cooperative, Inc.
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11.0 Communications

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and the Host Transmission Owner's Control Area.

12.0 Cost Responsibility

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Host Transmission Owner, and Transmission Provider to implement the provisions of this Operating Agreement, including but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is not inconsistent with Commission policy.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network Customer, Host Transmission Owner, and Transmission Provider for ongoing operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is not inconsistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or

EXHIBIT A

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relocation of equipment required to accommodate service provided under this Operating Agreement.

13.0 Billing and Payments

Billing and Payments shall be in accordance with Section 7 of the Tariff.

14.0 Dispute Resolution

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

15.0 Assignment

15.1 This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

15.3 So long as Mid-Kansas is the Transmission Provider, [Name] shall deal with Mid-Kansas, as agent for [Member], with respect to the Host Transmission Owner's rights and obligations under Sections 3.3 (approval of Delivery Point changes), 4.1 (system planning), 5.3 (clearances for maintenance activities), 6.1 and 6.2 (scheduling), 7.1 (ancillary services), 9.2 (telemetry information), 10.2 and 10.3 (load shedding), 13.0 (billing), and 20.0 (notice). During the period of Mid-Kansas' agency, [Member] may perform directly or through Mid-Kansas, as agent, with respect to the Host Transmission Owner's rights and obligations under Sections 3.2 (inspection of facilities and records), 3.5 (removing impairments), 3.6 and 3.7 (emergencies), and 5.1 (opening the interconnection).

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC – Wheatland Electric Cooperative, Inc.
Attachment G – Network Operating Agreement

16.0 Choice of Law

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Kansas, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

17.0 Entire Agreement

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

18.0 Unilateral Changes and Modifications

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under applicable law and rules and regulations promulgated thereunder.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under applicable law and pursuant to rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

19.0 Term

This Operating Agreement shall become effective on the date assigned by the Commission ("Effective Date"), and shall continue in effect until the Tariff or the

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC – Wheatland Electric Cooperative, Inc.
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Network Customer's Service Agreement is terminated, whichever shall occur first.

20.0 Notice

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Mid-Kansas (Transmission Provider)

Mid-Kansas Electric Company, LLC
President and CEO
301 West 13th Street
P.O. Box 980
Hays, Kansas 67601
Phone: 800-354-3638
Fax: 785-623-3395
Email

[Host Transmission Owner]

Wheatland Electric Cooperative, Inc.
General Manager
P.O. Box 230
Scott City, KS 67871
(800) 762-0436
(620) 782-7170
Email

[Network Customer]

Kansas Power Pool
[title]
200 W Douglas, Suite 601
Wichita, KS 67202
(316) 264-3166
(316)-264-3434
Email

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

EXHIBIT A

Kansas Power Pool – Mid-Kansas Electric Company, LLC – Wheatland Electric Cooperative, Inc.
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20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, email, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

21.0 Execution in Counterparts

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

TRANSMISSION PROVIDER

Stuart S. Lowry
Signature

Stuart S. Lowry
Printed name

President and CEO
Title

10/29/12
Date

HOST TRANSMISSION OWNER

Bruce W. Mueller
Signature

BRUCE W. MUELLER
Printed name

GENERAL MANAGER
Title

11-6-12
Date

NETWORK CUSTOMER

Larry W Holloway
Signature

Larry W Holloway
Printed name
Interim General Manager

Kansas Power Pool
Title

10/26/2012
Date

EXHIBIT A

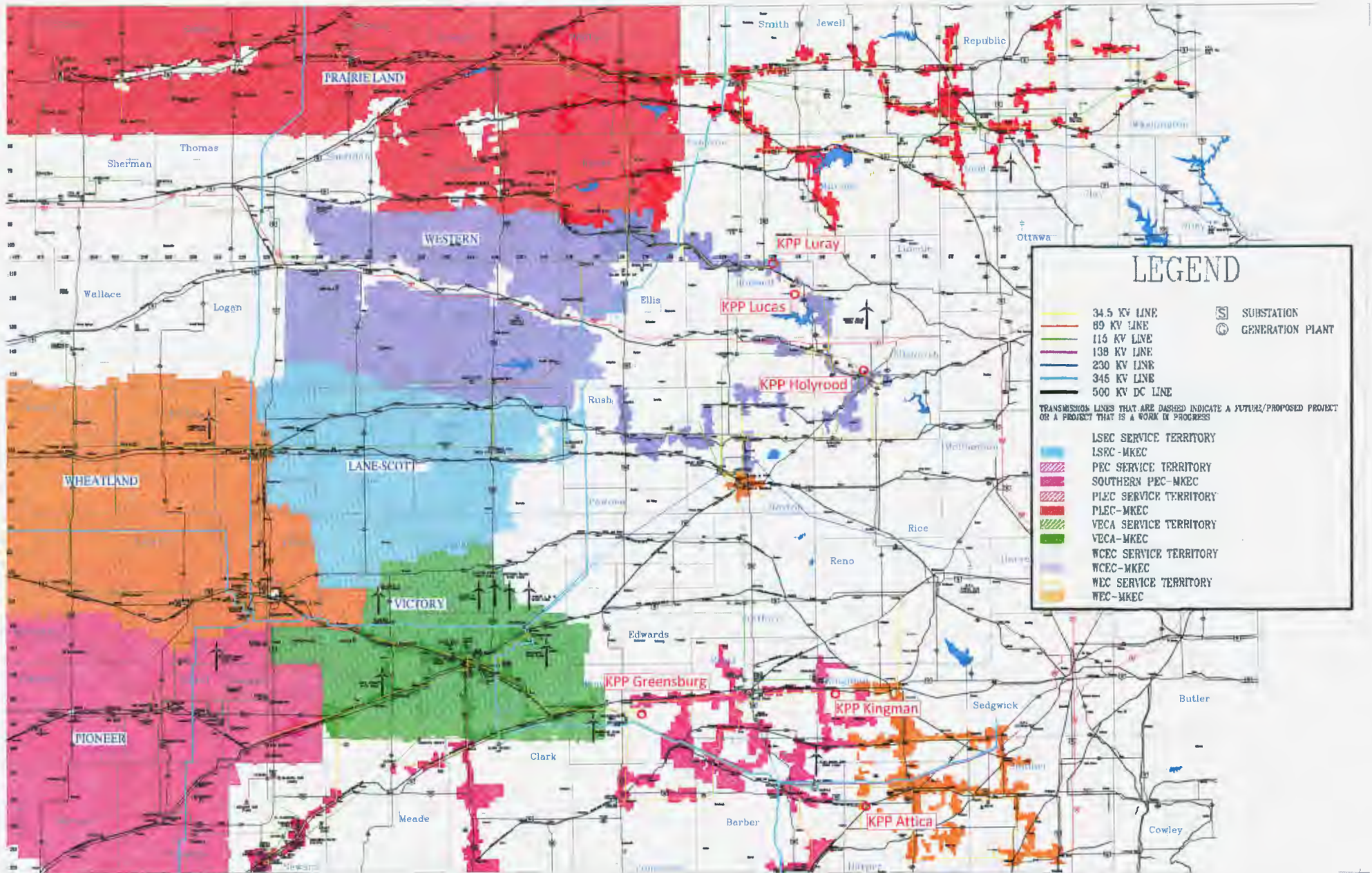
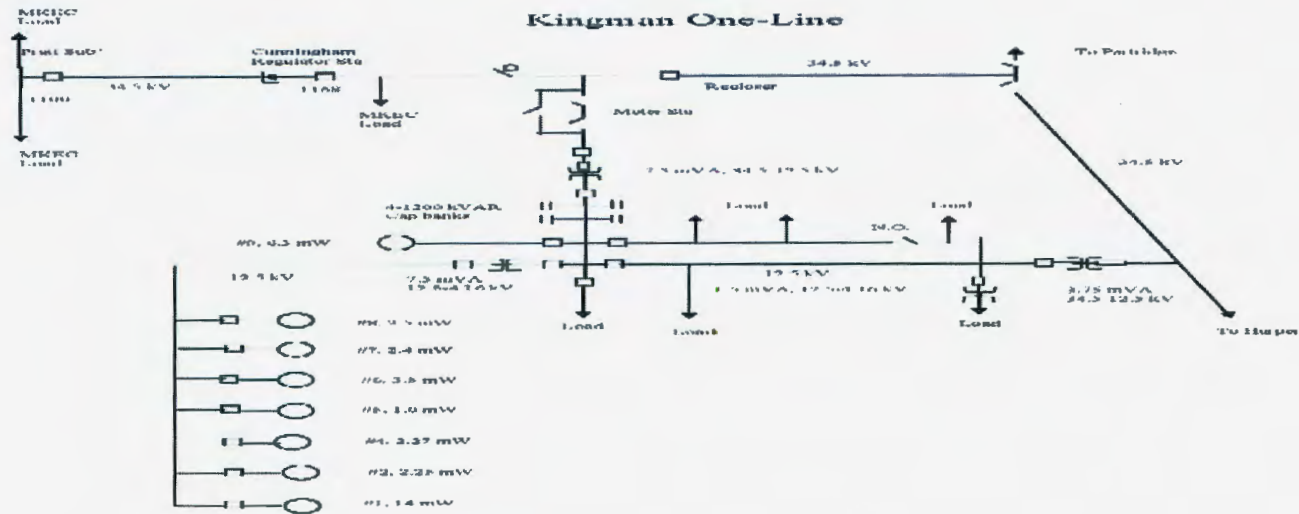


EXHIBIT B

Kingman Currently Fed on the 34.5 kV system out of Pratt 115 kV Bus



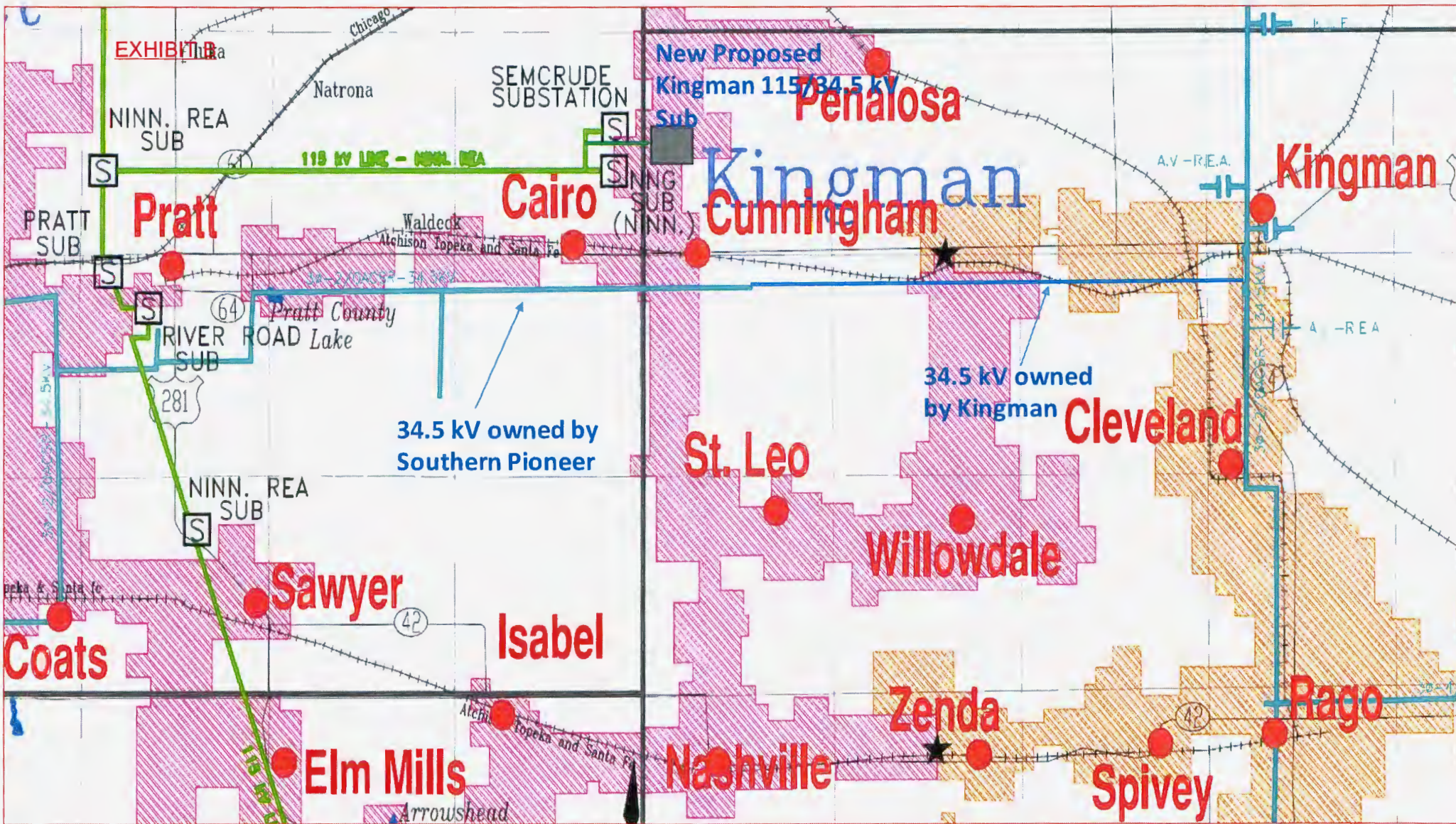


EXHIBIT C

Southern Pioneer 34.5		Reservation				MWh	CP LAC	Reservation
Peak	Measured	Rate	Cost as	as	Generate	Cost	LAC Cost	
Date & Time	Peak KW	\$ per KW	Billed	Previously Charged	d	\$ per MWh	\$ per MWh	
2012 11112 1900	12,618.8	2.03	\$ 25,616.06	12,000	\$ 24,360.00	4,651	\$ 5.51	\$ 5.24
2012 21212 2000	11,318.3	2.03	22,976.05	12,000	24,360.00	3,851	5.97	6.33
2012 30812 1200	12,464.0	2.03	25,301.92	12,000	24,360.00	4,517	5.60	5.39
2012 42512 1600	287.3	2.03	583.12	12,000	24,360.00	3,972	0.15	6.13
2012 52912 1600	1,044.3	2.03	2,119.83	12,000	24,360.00	4,010	0.53	6.08
2012 62812 1600	6,446.8	2.03	13,086.90	12,000	24,360.00	3,976	3.29	6.13
2012 73112 1600	144.8	2.67	386.48	12,000	32,040.00	3,191	0.12	10.04
2012 80312 1600	95.3	2.67	254.32	12,000	32,040.00	2,421	0.11	13.24
2012 90212 1700	1,934.5	2.67	5,165.12	12,000	32,040.00	2,751	1.88	11.65
2012 100312 2000	12,037.0	2.67	32,138.79	12,000	32,040.00	3,770	6.53	8.50
2012 112612 1900	4,690.0	2.67	12,522.30	12,000	32,040.00	2,883	4.34	11.11
2012 122612 1900	4,635.3	2.67	12,376.12	12,000	32,040.00	3,618	3.42	8.86
2013 11413 1900	1,397.5	2.67	3,731.33	12,000	32,040.00	3,938	0.95	8.14
2013 22013 1500	11,722.5	2.67	31,299.08	12,000	32,040.00	2,795	11.20	11.46
2013 32613 900	3.5	2.67	9.35	12,000	32,040.00	2,698	0.00	11.87
2013 43013 1600	6,587.8	2.67	17,589.29	12,000	32,040.00	3,144	5.59	10.19
2013 52813 1500	3,980.3	2.67	10,627.27	12,000	32,040.00	2,964	3.59	10.81
2013 62713 1600	3,031.0	2.67	8,092.77	12,000	32,040.00	3,529	2.29	9.08
2013 70913 1600	2,082.5	2.67	5,560.28	12,000	32,040.00	3,076	1.81	10.42
2013 83013 1500	386.0	2.67	1,030.62	12,000	32,040.00	2,480	0.42	12.92
2013 90713 1700	2,910.5	2.67	7,771.04	12,000	32,040.00	3,750	2.07	8.54
2013 100213 1600	10,181.0	2.67	27,183.27	12,000	32,040.00	4,428	6.14	7.24
2013 111313 1900	12,339.5	2.78	34,303.81	12,000	33,360.00	4,011	8.55	8.32
2013 120913 1900	175.5	2.78	487.89	12,000	33,360.00	3,671	0.13	9.09
2014 10614 1900	236.5	2.78	657.47	12,000	33,360.00	4,256	0.15	7.84
2014 20514 1900	7,568.8	2.78	21,041.13	12,000	33,360.00	2,948	7.14	11.31
2014 30314 2000	3,228.0	2.78	8,973.84	12,000	33,360.00	4,354	2.06	7.66
2014 42314 1500	9,811.3	2.78	27,275.28	12,000	33,360.00	4,709	5.79	7.08
2014 52914 1600	375.3	2.78	1,043.20	12,000	33,360.00	3,084	0.34	10.82
2014 63014 1600	1,044.0	2.78	2,902.32	12,000	33,360.00	2,691	1.08	12.40
2014 72514 1600	5,017.3	2.78	13,947.96	12,000	33,360.00	2,705	5.16	12.33
2014 82114 1600	7,526.3	2.78	20,922.98	12,000	33,360.00	2,715	7.71	12.29
2014 90314 1600	9,207.3	2.78	25,596.16	12,000	33,360.00	3,592	7.13	9.29
2014 100114 1600	0.0	2.78	0.00	12,000	33,360.00	3,257	-	10.24
2014 111214 1900	8,941.3	2.78	24,856.68	12,000	33,360.00	4,656	5.34	7.16
2014 123014 1900	4,709.8	2.78	13,093.11	12,000	33,360.00	2,821	4.64	11.82
2015 10715 1100	11,174.0	2.78	31,063.72	12,000	33,360.00	3,402	9.13	9.81
2015 20415 1700	8,590.0	2.78	23,880.20	12,000	33,360.00	3,007	7.94	11.09
2015 30415 1200	5,328.3	2.78	14,812.54	12,000	33,360.00	3,184	4.65	10.48
2015 40615 1600	3,136.3	2.78	8,718.78	12,000	33,360.00	3,463	2.52	9.63
2015 52715 1600	5,801.5	4.51	26,164.77	12,000	54,120.00	3,109	8.42	17.41
2015 62215 1600	8,558.5	4.51	38,598.84	12,000	54,120.00	2,675	14.43	20.23
2015 71315 1600	5.3	4.51	23.68	12,000	54,120.00	2,648	0.01	20.44
2015 80715 1500	5,693.5	4.51	25,677.69	12,000	54,120.00	2,512	10.22	21.55
2015 90215 1600	9,684.8	4.51	43,678.22	12,000	54,120.00	3,465	12.60	15.62
2015 101415 1700	1,018.5	4.51	4,593.44	12,000	54,120.00	2,776	1.65	19.49
2015 111115 2000	8,880.0	4.51	40,048.80	12,000	54,120.00	4,381	9.14	12.35
2015 122915 1900	789.5	4.51	3,560.65	12,000	54,120.00	4,356	0.82	12.43
2016 10516 1900	8,954.8	4.51	40,385.92	12,000	54,120.00	3,403	11.87	15.91
2016 20216 1900	12,273.0	4.51	55,351.23	12,000	54,120.00	4,055	13.65	13.35
2016 30216 1100	10,068.3	4.51	45,407.81	12,000	54,120.00	3,939	11.53	13.74
2016 42516 1600	0.0	4.51	0.00	12,000	54,120.00	3,771	-	14.35
2016 52516 1600	3,666.8	4.51	16,537.04	12,000	54,120.00	3,081	5.37	17.56
2016 62216 1600	5,214.5	4.51	23,517.40	12,000	54,120.00	2,671	8.80	20.26
2016 72216 1600	2,909.5	4.51	13,121.85	12,000	54,120.00	2,877	4.56	18.81

\$ 915,665.60

\$ 2,071,080.00

\$ 1,155,414.40 Savings with Change from Reservation to CP billing

\$ 21,007.53 55 Number of months Savings per Month

\$ 188,656 MWh Generated 4.85 Cost / MWh Generated

Dollars Saved by year

2012	\$ 185,873.00
2013	\$ 239,434.03
2014	\$ 240,009.91
2015	\$ 305,578.71
2016	\$ 184,518.76 thru July
Total	\$ 1,155,414.40

EXHIBIT "A"

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Settlement Agreement") is entered into this 27th day of August, 2013 by and between Mid-Kansas Electric Company, LLC. ("Mid-Kansas"), Southern Pioneer Electric Company ("Southern Pioneer"), a member owner of Mid-Kansas, and the Kansas Power Pool ("KPP"), a municipal energy agency. The parties are collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties wish to enter into a Settlement Agreement to resolve issues asserted in a certain Complaint ("Complaint") filed before the Kansas Corporation Commission in Docket No. 11-MKKEE-011-COM ("011 Docket"); and

WHEREAS, the Parties desire to resolve their issues by and among themselves.

THEREFORE, to resolve issues and matters by and between the Parties, the Parties hereto state and agree as follows:

1. On July 9, 2010, KPP filed its Complaint in the 011 Docket against Mid-Kansas and Southern Pioneer for rates and charges related to local access charges for a 34.5 kV line providing service from the Greensburg Wind Farm to KPP.

2. In February 2012, the Commission's Staff, KPP and Mid-Kansas reported to the Commission, and the Commission issued an Order approving a Stipulation and Agreement in Docket No. 11-GIME-597-GIE ("597 Docket"). The effect of the settlement rendered in that docket was to resolve the Complaint filed by KPP on a going forward basis and, highly simplified, it resulted in a rate design regarding the Greensburg Wind Farm based upon a coincident peak method as opposed to a non-coincident peak method.

3. The Parties since that time have continued negotiations involving issues related to the Greensburg Wind Farm and additionally, although mentioned in the Complaint but not directly litigated, negotiations involving the resolution of issues involving service to the City of Kingman, a member of KPP, who has had difficulty being able to fulfill its power requirements due to transmission constraints and other issues.

4. The Parties herein hereby enter into the following terms which constitute a full, binding and complete settlement of the issues asserted in the 011 Docket. The Parties therefore agree as follows:

EXHIBIT D

Settlement Agreement Mid-Kansas – Southern Pioneer – KPP

a) Mid-Kansas and Southern Pioneer hereby agree to not oppose the bypass by KPP of Southern Pioneer's 34.5 kV facilities and allow KPP, at its cost, to connect directly to Mid-Kansas' 115 kV line for delivery of energy from the Greensburg Wind Farm to the City of Greensburg consistent with the rules and procedures of the Southwest Power Pool ("SPP") Open Access Transmission Tariff ("OATT").

b) KPP, at its option, may construct a 34.5 kV line from the Greensburg Wind Farm's collection lines feeding KPP's facilities to the Mid-Kansas line, at an interconnection point mutually agreeable to the Parties and consistent with the rules and procedures of the SPP OATT, located near the City of Greensburg and identified as a 115 kV line owned by and a part of Mid-Kansas.

c) Mid-Kansas has, or will in the near future, entered into an Asset Purchase Agreement with Ninnescah Rural Electric Cooperative Association, Inc. ("Ninnescah") to purchase a certain 115 kV transmission line in Pratt County, Kansas that is located principally east from the Prichard substation for approximately 18 miles to the Ninnescah Northern Natural substation and Southern Pioneer's SemCrude Transmission substation ("Ninnescah Line"). The purchase of the Ninnescah Line is conditioned upon approval by the KCC of the purchase of the line and the recovery of the total acquisition costs and costs of service in Mid-Kansas' OATT.

The Ninnescah Line, if purchased by Mid-Kansas, can provide an improved transmission pathway to supply additional energy through it and other Mid-Kansas lines to the City of Kingman. Kingman has historically been limited to six (6) megawatts of power over the transmission system now existing, but with the addition of the Ninnescah Line, it should have those constraints raised to provide for the full requirements for the City of Kingman needs consistent with the Mid-Kansas and SPP OATT.

The Parties acknowledge and agree that the Ninnescah Line will be subject to and governed by Mid-Kansas' OATT and the acquisition costs and costs of service shall be recovered under the OATT administered by SPP.

d) KPP has been advised of the terms of the Asset Purchase Agreement with Ninnescah and the purchase price and agrees to support an application by Mid-Kansas for the approval by the KCC of the purchase of the Ninnescah Line and the recovery in Mid-Kansas' OATT of the total acquisition costs and costs of service.

EXHIBIT D

Settlement Agreement
Mid-Kansas – Southern Pioneer – KPP

e) Mid-Kansas and KPP acknowledge and agree that the costs of KPP interconnecting to the Ninescah Line and service will be governed by Mid-Kansas' OATT, unless otherwise mutually agreed between KPP and Mid-Kansas.

f) Mid-Kansas and KPP agree to pursue in good faith the KCC approval of the purchase of the Ninescah Line and the recovery of the total acquisition costs and costs of service under Mid-Kansas' OATT.

g) KPP, upon the filing of an Application by Mid-Kansas for approval of the Asset Purchase Agreement covering the Ninescah Line and the recovery of the total acquisition costs and cost of service through Mid-Kansas' OATT, will dismiss with prejudice its Complaint in the 011 Docket and this Settlement Agreement shall be in full force and effect by and between Mid-Kansas and KPP and in full satisfaction of the claims asserted by KPP in its Complaint.

IN WITNESS WHEREOF, the Parties hereto hereby enter into this Settlement Agreement on the day and year first written above.

MID-KANSAS ELECTRIC COMPANY, LLC

Dated: August 27, 2013

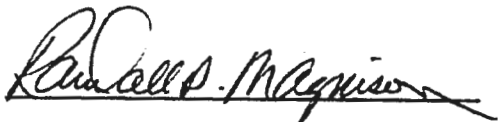
By: 

Name: Stuart S. Lowry
Its: President and CEO

EXHIBIT D

Settlement Agreement
Mid-Kansas – Southern Pioneer – KPP

SOUTHERN PIONEER ELECTRIC COMPANY

Dated: August 27, 2013 By: 

Name: Randall D. Magnison
Its: Executive VP-Assistant CEO

EXHIBIT D

Settlement Agreement
Mid-Kansas – Southern Pioneer – KPP

THE KANSAS POWER POOL, a
Municipal Energy Agency

Dated: August 27, 2013 By: Mark Chesney
Mark Chesney, General Mgr. & CEO



FEB 04 2014

January 27, 2014

Randy Magnison, COO
Southern Pioneer Electric Company COO
1850 West Oklahoma
Ulysses, KS 67880

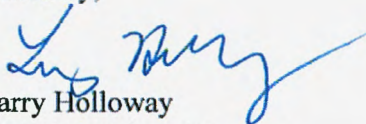
RE: City of Kingman Transmission Limitation

Randy,

At the meeting we had on December 6, 2013 at Kansas Power Pool (KPP), we discussed various issues regarding limitations on the transmission service to City of Kingman (Kingman). One of the short term solutions we identified was to upgrade the 115 kV to 34.5 kV transformer at the Southern Pioneer Electric Company (SPEC) "Semcrude" substation and provide an alternative power supply to the Kingman 34.5 kV line, as well as the SPEC Cunningham Regulating Station.

While I understand that this option is contingent on the outcome of the Kansas Corporation Commission (KCC) docket, I believe now is the time to start planning and discussing the next steps assuming the application is approved. Specifically I believe we should begin meeting to start scoping the project and deriving cost estimates, as well as discussing allocation of costs. While I would not expect a KCC decision before this summer, I do believe if we start now we could have a project completed before the summer of 2015 or maybe sooner. Certainly I would like to make that our goal.

Sincerely,



Larry Holloway
KPP Operations Manager

cc: Noman Williams, Sunflower Electric Power Corporation Vice-President, Transmission Policy
Ira Hart, City of Kingman Superintendent of Electric Utilities
Ken Roberts, Sunflower Electric Power Corporation, Manager Special Projects

"A good plan today is better than a perfect plan tomorrow." George S. Patton

EXHIBIT E



FEB 04 2014

January 27, 2014

Ken Roberts
Sunflower Electric Power Corporation
Manger, Special Projects
301 W 13th
Hays, KS 67601

RE: City of Kingman Transmission Limitation

Ken,

At the meeting we had on December 6, 2013 at Kansas Power Pool (KPP), we discussed various issues regarding limitations on the transmission service to City of Kingman (Kingman). One of the short term solutions we identified was to upgrade the 115 kV to 34.5 kV transformer at the Southern Pioneer Electric Company (SPEC) "Semcrude" substation and provide an alternative power supply to the Kingman 34.5 kV line, as well as the SPEC Cunningham Regulating Station.

While I understand that this option is contingent on the outcome of the Kansas Corporation Commission (KCC) docket, I believe now is the time to start planning and discussing the next steps assuming the application is approved. Specifically I believe we should begin meeting to start scoping the project and deriving cost estimates, as well as discussing allocation of costs. While I would not expect a KCC decision before this summer, I do believe if we start now we could have a project completed before the summer of 2015 or maybe sooner. Certainly I would like to make that our goal.

Sincerely,

Larry Holloway
KPP Operations Manager

cc: Noman Williams, Sunflower Electric Power Corporation Vice-President, Transmission Policy
Ira Hart, City of Kingman Superintendent of Electric Utilities
✓ Randy Magnison, Southern Pioneer Electric Company COO

"A good plan today is better than a perfect plan tomorrow." George S. Patton

Subject: Updated Cost Allocation Spreadsheet re: Kingman
Date: Friday, June 13, 2014 at 4:34:37 PM Central Daylight Time
From: Brian Beecher
To: Larry Holloway
CC: Lindsay Shepard, Chantry Scott, George Bushnell, Randy Magnison, nwilliams@sunflower.net, npfannenstiel@sunflower.net, kroberts@sunflower.net, tvancleave@sunflower.net
Attachments: 140613 Copy of Kingman Aprl 2014 (FINAL2) (2).xlsx

Larry,

Please find attached the Updated Cost Allocation Spreadsheet for the Kingman Project. A comparison between "OR Pricing" and "LRS" is shown throughout the spreadsheet with the "Final" tab indicating the values derived from the two cost sharing methods.

Once you have reviewed, Southern and Sunflower would like to schedule a GoToMeetings and or a conference call to discuss or answer any questions you may have about the two methods, which were compared in the spreadsheet and used to determine cost allocation on the project. If you would like to propose a couple of times and dates that would work for you, I would be happy to schedule a call.

In previous conversations, you and the City have indicated that you would like the project completed and in-service by the summer of 2015. If this is still the case, and because of the lead-time on some material and equipment, we need to move quickly on completing the review and drafting an acceptable cost allocation agreement to meet your desired in-service goal.

Again if you have any question, please feel free to call.

Brian Beecher P.E.
Engineering and Operations Manager
Southern Pioneer Electric

Office 620-886-5100
Cell 620-338-1876

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EXHIBIT F



PROJECT ESTIMATE

City of Kingman Load Increase

Task	Cost
Transformer	\$ 750,000.00
Substation Work -From Peak Power	\$ 353,088.56
3rd Part Testing and Commissioning	\$ 15,000.00
Engineering	\$ 35,000.00
Substation RTU Relay Settings and Testing (Sunflower-JK)	\$ 3,000.00
New Meter North of Cunningham	\$ 60,000.00
Data Circuit/RTU at breaker site if Required (Sunflower-JK)	\$ 12,500.00
34.5 KV line from Transmission sub to new meter site	\$ 657,684.00
Moving existing 115/34.5 kV transformer	\$ 35,000.00
TOTAL	\$ 1,921,272.56

EXHIBIT F



P.O. Box 340, Golden, Colorado 80402
 (303) 462-1100, Fax (303) 462-2600

ENGINEERING COST ESTIMATE

Southern Pioneer Electric Company

SemGrude Transmission Substation - Installed Cost Estimate

Date: 4/18/2014

For adding a 34.5kV Line Terminal

Proposal: E1400043

Description	QTY	UNIT	Material		Contract Labor	
			Unit Cost	Ext. Cost	Unit Cost listed in MH	Ext. Cost
Feeder 52-F3	1	ea			\$100.00	
35kV, 2000A Breaker	1	ea	\$30,000.00	\$30,000.00	16	\$1,600.00
Steel Structures	4352	pounds	\$1.20	\$5,222.40	0.007	\$3,200.00
Foundations (5)	10.9	cy	\$100.00	\$1,090.00	\$1,200.00	\$13,080.00
Switch, Gang, 1200A, 35kV	1	ea	\$4,782.00	\$4,782.00	12	\$1,200.00
Grounding, Misc.	1	lot	\$2,000.00	\$2,000.00	24	\$2,400.00
Jumpers, Misc. Terminals	1	lot	\$2,500.00	\$2,500.00	24	\$2,400.00
Conduit, 6" PVC	330	ft	\$2.00	\$660.00	48	\$4,800.00
Cable, 35kV	990	ft	\$22.00	\$21,780.00	56	\$5,600.00
SA's	3	ea	\$450.00	\$1,350.00	2	\$200.00
Conduit, 3" PVC	320	ft	\$0.50	\$160.00	72	\$7,200.00
Cable, Control	1800	ft	\$4.00	\$7,200.00	56	\$5,600.00
Static Mast / Shielding	1	ea			\$100.00	
Steel Pole, Direct Buried	1	ea	\$3,500.00	\$3,500.00	12	\$1,200.00
3/8" EHS and hardware	1	lot	\$2,500.00	\$2,500.00	8	\$800.00
Grounding	1	lot	\$250.00	\$250.00	4	\$400.00
Power Transformer - 115/34.5kV	1	ea			\$100.00	
Power Transformer (FOB Site)	1	ea	\$750,000.00	\$750,000.00	0	\$0.00
Crane Services (2x - offload and set on pad)	2	ea	\$0.00	\$0.00	\$20,000.00	\$40,000.00
J-box and Control Cable modifications	1	lot	\$500.00	\$500.00	16	\$1,600.00
Relaying Additions	1	ea			\$100.00	
SEL 351 Relay	1	ea	\$4,500.00	\$4,500.00	1	\$100.00
FT-19 Test Switches	2	ea	\$750.00	\$1,500.00	2	\$4.00
Control Switches	1	ea	\$750.00	\$750.00	1	\$100.00
SIS Wiring	1	lot	\$500.00	\$500.00	40	\$4,000.00
Other	1	lot				
RTU / relay settings and testing	1	ea	by others	by others	by others	by others
3rd Party Testing and Commissioning	1	ea	by others	by others	by others	by others
Engineering (Itemized seperately)	1	lot	\$0.00	\$0.00	\$35,000.00	\$35,000.00

EXHIBIT F					
Contingency(@10.0%)				\$84,074.44	\$13,048.40
Sales Tax (@7.0%)				\$64,737.32	
				\$959,556.16	\$143,532.40

\$1,103,088.56



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EXHIBIT F

EXHIBIT F

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EXHIBIT F

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EXHIBIT F

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EXHIBIT F

The table contains multiple columns and rows of data. The top portion of the table is obscured by a large, light-colored rectangular area. The visible data is organized into several distinct sections, possibly representing different categories or time periods. The text is small and difficult to read, but the structure suggests a complex dataset.

EXHIBIT F

10017

10018

EXHIBIT F

*16/11/16	14	*16/11/16	14

EXHIBIT F

The table contains multiple rows of data. The first row is highlighted in light blue. The second row is highlighted in light green. The third row is highlighted in light yellow. The fourth row is highlighted in light purple. The fifth row is highlighted in light pink. The sixth row is highlighted in light orange. The seventh row is highlighted in light red. The eighth row is highlighted in light brown. The ninth row is highlighted in light grey. The tenth row is highlighted in light black. The eleventh row is highlighted in light white. The twelfth row is highlighted in light blue. The thirteenth row is highlighted in light green. The fourteenth row is highlighted in light yellow. The fifteenth row is highlighted in light purple. The sixteenth row is highlighted in light pink. The seventeenth row is highlighted in light orange. The eighteenth row is highlighted in light red. The nineteenth row is highlighted in light brown. The twentieth row is highlighted in light grey. The twenty-first row is highlighted in light black. The twenty-second row is highlighted in light white. The twenty-third row is highlighted in light blue. The twenty-fourth row is highlighted in light green. The twenty-fifth row is highlighted in light yellow. The twenty-sixth row is highlighted in light purple. The twenty-seventh row is highlighted in light pink. The twenty-eighth row is highlighted in light orange. The twenty-ninth row is highlighted in light red. The thirtieth row is highlighted in light brown. The thirty-first row is highlighted in light grey. The thirty-second row is highlighted in light black. The thirty-third row is highlighted in light white. The thirty-fourth row is highlighted in light blue. The thirty-fifth row is highlighted in light green. The thirty-sixth row is highlighted in light yellow. The thirty-seventh row is highlighted in light purple. The thirty-eighth row is highlighted in light pink. The thirty-ninth row is highlighted in light orange. The fortieth row is highlighted in light red. The forty-first row is highlighted in light brown. The forty-second row is highlighted in light grey. The forty-third row is highlighted in light black. The forty-fourth row is highlighted in light white. The forty-fifth row is highlighted in light blue. The forty-sixth row is highlighted in light green. The forty-seventh row is highlighted in light yellow. The forty-eighth row is highlighted in light purple. The forty-ninth row is highlighted in light pink. The fiftieth row is highlighted in light orange. The fifty-first row is highlighted in light red. The fifty-second row is highlighted in light brown. The fifty-third row is highlighted in light grey. The fifty-fourth row is highlighted in light black. The fifty-fifth row is highlighted in light white. The fifty-sixth row is highlighted in light blue. The fifty-seventh row is highlighted in light green. The fifty-eighth row is highlighted in light yellow. The fifty-ninth row is highlighted in light purple. The sixtieth row is highlighted in light pink. The sixty-first row is highlighted in light orange. The sixty-second row is highlighted in light red. The sixty-third row is highlighted in light brown. The sixty-fourth row is highlighted in light grey. The sixty-fifth row is highlighted in light black. The sixty-sixth row is highlighted in light white. The sixty-seventh row is highlighted in light blue. The sixty-eighth row is highlighted in light green. The sixty-ninth row is highlighted in light yellow. The seventieth row is highlighted in light purple. The seventy-first row is highlighted in light pink. The seventy-second row is highlighted in light orange. The seventy-third row is highlighted in light red. The seventy-fourth row is highlighted in light brown. The seventy-fifth row is highlighted in light grey. The seventy-sixth row is highlighted in light black. The seventy-seventh row is highlighted in light white. The seventy-eighth row is highlighted in light blue. The seventy-ninth row is highlighted in light green. The eightieth row is highlighted in light yellow. The eighty-first row is highlighted in light purple. The eighty-second row is highlighted in light pink. The eighty-third row is highlighted in light orange. The eighty-fourth row is highlighted in light red. The eighty-fifth row is highlighted in light brown. The eighty-sixth row is highlighted in light grey. The eighty-seventh row is highlighted in light black. The eighty-eighth row is highlighted in light white. The eighty-ninth row is highlighted in light blue. The ninetieth row is highlighted in light green. The ninety-first row is highlighted in light yellow. The ninety-second row is highlighted in light purple. The ninety-third row is highlighted in light pink. The ninety-fourth row is highlighted in light orange. The ninety-fifth row is highlighted in light red. The ninety-sixth row is highlighted in light brown. The ninety-seventh row is highlighted in light grey. The ninety-eighth row is highlighted in light black. The ninety-ninth row is highlighted in light white. The hundredth row is highlighted in light blue.

EXHIBIT F

The table contains multiple rows of data, with a header row at the top. The data is organized into several columns, but the individual values are illegible due to the low resolution and the large redacted area. The table appears to be a detailed report or a data dump.

EXHIBIT F

2019年12月31日	2019年12月31日
流动资产	流动资产
货币资金	货币资金
应收账款	应收账款
预付款项	预付款项
其他应收款	其他应收款
存货	存货
流动资产合计	流动资产合计
非流动资产	非流动资产
长期股权投资	长期股权投资
固定资产	固定资产
无形资产	无形资产
非流动资产合计	非流动资产合计
资产总计	资产总计
流动负债	流动负债
应付账款	应付账款
预收款项	预收款项
其他应付款	其他应付款
流动负债合计	流动负债合计
非流动负债	非流动负债
长期借款	长期借款
应付债券	应付债券
非流动负债合计	非流动负债合计
负债合计	负债合计
所有者权益	所有者权益
实收资本	实收资本
资本公积	资本公积
盈余公积	盈余公积
未分配利润	未分配利润
所有者权益合计	所有者权益合计
负债和所有者权益总计	负债和所有者权益总计

EXHIBIT F

The image shows a large table with a yellow vertical line down the center. The table has a blue header and a green footer. The main body of the table contains dense, illegible text, likely representing a large dataset or financial statement. The text is arranged in multiple columns and rows, but the individual characters are too small to read.

EXHIBIT F

The table consists of approximately 13 columns and many rows. The columns are labeled with alphanumeric strings, including: 4452107, 118648214, 22482504, 578678452, 6198120764, 6698848624, 44815264824, 262781221486, 22448512844, 414864482264, 448824, 264424482, and 68212944. A yellow vertical bar highlights the column labeled '264424482'. A small yellow box is positioned at the top right of the table area.

EXHIBIT F

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Expenses	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Operating Income	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Income Tax Expense	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Net Income	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Dividends	0	0	0	0	0	0	0	0	0
Retained Earnings	400,000	800,000	1,200,000	1,600,000	2,000,000	2,400,000	2,800,000	3,200,000	3,600,000

EXHIBIT F

	REGISTRATION	OPERATIONAL	MANAGEMENT	ADVISORY	COMPLIANCE	GOVERNANCE	RISK	INTERNAL	EXTERNAL	OTHER	TOTAL
2017	50	45	30	25	15	10	8	6	4	3	176
2018	55	50	35	30	20	15	10	8	6	4	193
2019	60	55	40	35	25	20	15	10	8	6	209
2020	65	60	45	40	30	25	20	15	10	8	223
2021	70	65	50	45	35	30	25	20	15	10	235
2022	75	70	55	50	40	35	30	25	20	15	245
2023	80	75	60	55	45	40	35	30	25	20	255
2024	85	80	65	60	50	45	40	35	30	25	265
2025	90	85	70	65	55	50	45	40	35	30	275
2026	95	90	75	70	60	55	50	45	40	35	285
2027	100	95	80	75	65	60	55	50	45	40	295
2028	105	100	85	80	70	65	60	55	50	45	305
2029	110	105	90	85	75	70	65	60	55	50	315
2030	115	110	95	90	80	75	70	65	60	55	325

EXHIBIT F

Financial Data Table						
Account Name	2021	2022	2023	2024	2025	2026
Asset A	100	110	120	130	140	150
Asset B	200	220	240	260	280	300
Asset C	300	330	360	390	420	450
Asset D	400	440	480	520	560	600
Asset E	500	550	600	650	700	750
Asset F	600	660	720	780	840	900
Asset G	700	770	840	910	980	1050
Asset H	800	880	960	1040	1120	1200
Asset I	900	990	1080	1170	1260	1350
Asset J	1000	1100	1200	1300	1400	1500

EXHIBIT F

001	002	003	004	005	006	007	008	009	010	011	012	013	014	015	016	017	018	019	020	021	022	023	024	025	026	027	028	029	030	031	032	033	034	035	036	037	038	039	040	041	042	043	044	045	046	047	048	049	050	051	052	053	054	055	056	057	058	059	060	061	062	063	064	065	066	067	068	069	070	071	072	073	074	075	076	077	078	079	080	081	082	083	084	085	086	087	088	089	090	091	092	093	094	095	096	097	098	099	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	--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EXHIBIT F

	2018	2019	2020	2021
Revenue	1,234,567	1,345,678	1,456,789	1,567,890
Operating Expenses	(876,543)	(987,654)	(1,098,765)	(1,209,876)
Operating Income	358,024	358,024	358,024	358,024
Interest Expense	(12,345)	(12,345)	(12,345)	(12,345)
Income Tax Expense	(45,678)	(45,678)	(45,678)	(45,678)
Net Income	300,001	300,001	300,001	300,001
Other Comprehensive Income	0	0	0	0
Comprehensive Income	300,001	300,001	300,001	300,001
Dividends Paid	(100,000)	(100,000)	(100,000)	(100,000)
Retained Earnings	200,001	200,001	200,001	200,001

EXHIBIT F

The table contains several columns of data, but the text is largely illegible due to low resolution and blurring. The structure appears to be a standard data table with multiple rows and columns.

EXHIBIT F

The table contains multiple rows of data, with a header row at the top. The data is organized into several columns, but the individual values are not legible due to the low resolution and redaction. The table appears to be a detailed ledger or record sheet.

EXHIBIT F

2014	2015	2016	2017
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

EXHIBIT F

The table contains multiple columns of data, likely representing different categories or metrics. The data is organized into several distinct sections or columns, with some headers visible at the top of the data area. The table is partially obscured by a large, faint watermark or background image.

EXHIBIT F

2018年	2019年	2020年	2021年	2022年	2023年	2024年	2025年
1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32
33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48
49	50	51	52	53	54	55	56
57	58	59	60	61	62	63	64
65	66	67	68	69	70	71	72
73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88
89	90	91	92	93	94	95	96
97	98	99	100	101	102	103	104
105	106	107	108	109	110	111	112
113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128
129	130	131	132	133	134	135	136
137	138	139	140	141	142	143	144
145	146	147	148	149	150	151	152
153	154	155	156	157	158	159	160
161	162	163	164	165	166	167	168
169	170	171	172	173	174	175	176
177	178	179	180	181	182	183	184
185	186	187	188	189	190	191	192
193	194	195	196	197	198	199	200
201	202	203	204	205	206	207	208
209	210	211	212	213	214	215	216
217	218	219	220	221	222	223	224
225	226	227	228	229	230	231	232
233	234	235	236	237	238	239	240
241	242	243	244	245	246	247	248
249	250	251	252	253	254	255	256
257	258	259	260	261	262	263	264
265	266	267	268	269	270	271	272
273	274	275	276	277	278	279	280
281	282	283	284	285	286	287	288
289	290	291	292	293	294	295	296
297	298	299	300	301	302	303	304
305	306	307	308	309	310	311	312
313	314	315	316	317	318	319	320
321	322	323	324	325	326	327	328
329	330	331	332	333	334	335	336
337	338	339	340	341	342	343	344
345	346	347	348	349	350	351	352
353	354	355	356	357	358	359	360
361	362	363	364	365	366	367	368
369	370	371	372	373	374	375	376
377	378	379	380	381	382	383	384
385	386	387	388	389	390	391	392
393	394	395	396	397	398	399	400
401	402	403	404	405	406	407	408
409	410	411	412	413	414	415	416
417	418	419	420	421	422	423	424
425	426	427	428	429	430	431	432
433	434	435	436	437	438	439	440
441	442	443	444	445	446	447	448
449	450	451	452	453	454	455	456
457	458	459	460	461	462	463	464
465	466	467	468	469	470	471	472
473	474	475	476	477	478	479	480
481	482	483	484	485	486	487	488
489	490	491	492	493	494	495	496
497	498	499	500	501	502	503	504
505	506	507	508	509	510	511	512
513	514	515	516	517	518	519	520
521	522	523	524	525	526	527	528
529	530	531	532	533	534	535	536
537	538	539	540	541	542	543	544
545	546	547	548	549	550	551	552
553	554	555	556	557	558	559	560
561	562	563	564	565	566	567	568
569	570	571	572	573	574	575	576
577	578	579	580	581	582	583	584
585	586	587	588	589	590	591	592
593	594	595	596	597	598	599	600
601	602	603	604	605	606	607	608
609	610	611	612	613	614	615	616
617	618	619	620	621	622	623	624
625	626	627	628	629	630	631	632
633	634	635	636	637	638	639	640
641	642	643	644	645	646	647	648
649	650	651	652	653	654	655	656
657	658	659	660	661	662	663	664
665	666	667	668	669	670	671	672
673	674	675	676	677	678	679	680
681	682	683	684	685	686	687	688
689	690	691	692	693	694	695	696
697	698	699	700	701	702	703	704
705	706	707	708	709	710	711	712
713	714	715	716	717	718	719	720
721	722	723	724	725	726	727	728
729	730	731	732	733	734	735	736
737	738	739	740	741	742	743	744
745	746	747	748	749	750	751	752
753	754	755	756	757	758	759	760
761	762	763	764	765	766	767	768
769	770	771	772	773	774	775	776
777	778	779	780	781	782	783	784
785	786	787	788	789	790	791	792
793	794	795	796	797	798	799	800
801	802	803	804	805	806	807	808
809	810	811	812	813	814	815	816
817	818	819	820	821	822	823	824
825	826	827	828	829	830	831	832
833	834	835	836	837	838	839	840
841	842	843	844	845	846	847	848
849	850	851	852	853	854	855	856
857	858	859	860	861	862	863	864
865	866	867	868	869	870	871	872
873	874	875	876	877	878	879	880
881	882	883	884	885	886	887	888
889	890	891	892	893	894	895	896
897	898	899	900	901	902	903	904
905	906	907	908	909	910	911	912
913	914	915	916	917	918	919	920
921	922	923	924	925	926	927	928
929	930	931	932	933	934	935	936
937	938	939	940	941	942	943	944
945	946	947	948	949	950	951	952
953	954	955	956	957	958	959	960
961	962	963	964	965	966	967	968
969	970	971	972	973	974	975	976
977	978	979	980	981	982	983	984
985	986	987	988	989	990	991	992
993	994	995	996	997	998	999	1000

EXHIBIT F

The table consists of approximately 10 columns and 15 rows of data. The data is presented in a grid format, with each cell containing a numerical value. The values are small and difficult to read due to the high resolution and density of the data. The table is located at the bottom of the page, below a large, light-colored rectangular area that covers the majority of the page's content.

EXHIBIT F

Note: all values are annual NCP kW

Kingman Load	Semcrude = estimated WhitecliffsTotal	Total Load
7,723	1,168	
Kingman Generation	Whitcliffs add in January 2015	
5,296	(estimated) 3,000	
Kingman Total	Southern Pioneer Total	
13,019	4,168	17,187
75.75%	24.25%	100.0%
Load Ratio Share	Load Ratio Share	

EXHIBIT F

**Southern Pioneer Electric Cooperative, Inc.
2013 Recovery Factors**

Line	Description	Amount	Source
1	Annual Costs		
2	1. Transmission O&M Factor		
3	Transmission O&M Expense	\$ 1,063,550	Form 7, 2013, Part A, Column (b), Line 4.
4	Transmission Plant in Service	\$ 24,115,464	Form 7, 2013, Part E, Column (e), Line 5.
5	Less: Accum. Res. for Depreciation	\$ 5,780,829	Per SPEC Trial Balance.
6	Net Transmission Plant in Service	\$ 18,334,635	
7	O&M Factor	5.80%	
8			
9	2. Administrative & General Overhead		
10	<i>Overhead Expense</i>		
11	Administrative and General Expense	\$ 1,850,923	Form 7, 2013, Part A, Line (b)11.
12	General Plant Interest	\$ 5,458,244	\$ 321,073 (Form 7, 2013, Part A, Line 16) / General Plant Ratio ¹
13	General Plant Depreciation	\$ 2,635,881	\$ 155,052 (Form 7, 2013, Part A, Line 13) / General Plant Ratio ¹
14	Subtotal	\$ 2,327,048	Sum of Lines 11-13.
15	<i>Operating Expenses</i>		
16	Transmission O&M	\$ 1,063,550	Line 3.
17	Distribution O&M	\$ 5,080,887	Form 7, 2013, Part A, Column (b), Lines 6-7.
18	Customer Accounting	\$ 1,201,276	Form 7, 2013, Part A, Column (b), Lines 8.
19	Customer Service & Information	\$ 103,643	Form 7, 2013, Part A, Column (b), Lines 9.
20	Sales	\$ 7,246	Form 7, 2013, Part A, Column (b), Lines 10.
21	Subtotal	\$ 7,456,602	Sum Lines 16-20.
22	A&G as % of Other Operating Expenses	31.21%	Line 14 / Line 21
23	A&G + Overhead Factor	1.81%	Line 7 * Line 22
24			
25	2. Transmission O&M Factor	5.80%	Line 7.
26	3. Administrative & General Overhead	1.81%	Line 23.
27	Total Recovery Factor	7.61%	Sum Lines 25-26.

	Total Utility Plant	General Plant	Ratio
¹	\$ 111,289,919	\$ 6,417,478	17

EXHIBIT F

Southern Pioneer - Mid-Kansas Electric Co. LLC
 34.5 kV Line Extension Template
 KPP - City of Kingman load addition

Inputs:

Borrowing Rate
 Borrowing Rate Multiplier

Calculation of OR Pricing

6.50%	Southern Pioneer supply borrowing rate
1.64	Southern Pioneer TIER equivalent to 1.75 DSC

Monthly NCP Values

SPECo - LAC

Return portion of carrying charge rate
 O&M recovery rate
 NPV Discount rate
 Years of Service
 Member
 Local Access Rate
 Load addition
 Estimated Sub upgrade and line extension cost

10.65%	
7.61%	Southern Pioneer supply O&M Rate
18.27%	
10.00	
	Southern Pioneer
\$ 2.78	(per kw-mo)
18,540	(kW)
\$ 1,861,273	Semcrude substation upgrade
	Should only include load ratio share for Kingman's responsibility suggest using 75.7%

Row Labels	Max of Sum of Kingman & Semcrude	So. Plon. LAC Peak Date & Time	Generati on Coincid ent with peak	\$	2.78
January	7,862.5	11413 1900	-	-	
February	7,481.3	22013 1500	-	-	
March	7,202.0	32613 900	-	-	
April	7,196.8	43013 1600	-	-	
May	8,985.3	52813 1500	1,719	4,777	
June	12,370.5	62713 1600	5,296	14,724	
July	11,400.3	70913 1600	3,168	8,807	
August	10,984.5	83013 1500	4,565	12,690	
September	11,154.0	90713 1700	3,793	10,543	
October	9,343.3	10213 1600	-	-	
November	8,412.0	111313 1900	-	-	
December	7,602.3	120913 900	-	-	
			18,540	\$	51,541

Calculation:

New Load CP
 Local Access Rate
 Monthly Local Access Revenue Increase
 Convert Monthly Revenue to Annual
 Annual Local Access Revenue Increase - Calculated
 NPV of Annual Local Access Revenue Increase
 Line Extension Cost
 NPV of Annual Local Access Revenue Increase
 Required Customer Contribution

18,540	
\$ 2.78	
\$ 51,541	
618,494	
\$ 51,541	2013 LAC Revenue - Kingman Generation
	Coincident with Southern Pioneer 34.5
\$ 229,417	
\$ 1,861,273	
\$ (229,417)	
\$ 1,631,856	

EXHIBIT F



PROJECT ESTIMATE
City of Kingman Load Increase

	Total LRS 100.00%	Kingman LRS 75.75%	SPECO LRS 24.25%		
Task	Cost	Kingman	SPECO	Cost Allocation	Notes
1 Transformer	\$ 750,000.00	\$ 568,118.35	\$ 181,881.65	LRS	
2 Substation Work -From Peak Power	\$ 353,088.56	\$ 353,088.56	\$ -	Kingman	
3 3rd Part Testing and Commissioning	\$ 15,000.00	\$ 15,000.00	\$ -	Kingman	
4 Engineering	\$ 35,000.00	\$ 26,512.19	\$ 8,487.81	LRS	
5 Substation RTU Relay Settings and Testing (Sunflower-JK)	\$ 3,000.00	\$ 3,000.00	\$ -	Kingman	
6 New Meter North of Cunningham	\$ 60,000.00	\$ -	\$ 60,000.00	SPECO	
7 Data Circuit/RTU at breaker site if Required (Sunflower-JK)	\$ 12,500.00	\$ 9,468.64	\$ 3,031.36	LRS	
8 34.5 KV line from Transmission sub to new meter site	\$ 657,684.00	\$ 498,189.79	\$ 159,494.21	LRS	See Notes 1, 2
9 Moving existing 115/34.5 kV transformer	\$ 35,000.00	\$ 26,512.19	\$ 8,487.81	LRS	
TOTAL	\$ 1,921,272.56	\$ 1,499,889.72	\$ 421,382.84		

LRS=Load Ratio Share

Note 1-- Southern Pioneer may use line during emergency situation to backfeed Southern Pioneer existing load

Note 2-- Kingman will transfer ownership of 34.5 kV line between existing metering site and new metering site

SPECO PORTION WITH OR PRICING			\$ 289,416.78
KINGMAN PORTION WITH OR PRICING		\$ 1,631,855.78	
TOTAL PROJECT COST	\$ 1,921,272.56	\$ 1,631,855.78	\$ 289,416.78

EXHIBIT G



August 8, 2014

Via: US Mail and Email

Larry Holloway
Operations Manager
Kansas Power Pool
250 West Douglas Avenue, Ste. 110
Wichita, KS 67202
LHolloway@kansaspowerpool.org

RE: Transmission Service to the City of Kingman - Project Notice

Dear Larry:

This letter is in regards to the City of Kingman ("City") transmission service limitations and the potential short-term solutions to achieve "full delivery" service to the City that have been identified and discussed by Southern Pioneer Electric Company ("Southern Pioneer"), Mid-Kansas Electric Company, LLC ("Mid-Kansas"), and the Kansas Power Pool ("KPP") over the past several months. Specifically, pursuant to your Notice to Proceed letter dated January 27, 2014, the parties met on March 27, 2014, to discuss identified 115/34.5 kV upgrades at Southern Pioneer's SemCrude Transmission Substation and a new 34.5 kV line from the City's existing 34.5 kV sub-transmission line to the SemCrude Transmission Substation in order to interconnect with the Ninnescah 115 kV line, located in Pratt County, Kansas (collectively, the "Project"). Further, you indicated a desire for the Project to be commercially operational in time to meet full delivery requirements to the City on or before the summer of 2015.

Since the March 27th meeting, the following activities have occurred:

- Southern Pioneer and Mid-Kansas have analyzed the proposed Project as conceptually discussed at the March 27th meeting. On June 13, 2014, Southern Pioneer provided KPP (*via* e-mail) a Project proposal. This Project proposal included cost estimates provided by Peak Power and associated cost allocation options (collectively, the "Proposal"). With this Proposal, Southern Pioneer also requested that once reviewed, Southern Pioneer and Mid-Kansas would have a conference call with KPP to discuss or answer any outstanding issues and questions regarding the cost allocation methodologies and development of cost sharing agreements, especially if Southern Pioneer was to meet the City's desired summer of 2015 in-service date.
- Pursuant to and in fulfillment of Mid-Kansas and Southern Pioneer's obligations under Sections 4(c)-(f) of that certain Settlement Agreement by and between the parties in KCC Docket No. 11-MKEE-011-COM, Mid-Kansas completed and received Kansas Corporation Commission approval of the purchase of the Ninnescah 115 kV line. The Ninnescah 115 kV line is subject to and governed by the Mid-Kansas Open Access Transmission Tariff.

Southern Pioneer Electric Company, 1850 West Oklahoma, P.O. Box 430, Ulysses, Kansas 67880

Mid-Kansas Electric Company, 301 W 13th, P.O. Box 980, Hays, Kansas 67601

EXHIBIT G

Mr. Larry Holloway
August 8, 2014

Page 2

To date, neither Southern Pioneer nor Mid-Kansas have received a formal response from KPP regarding the Proposal. Therefore, due to the lack of a timely response, failure of the parties to develop an acceptable cost allocation agreement, significant lead-time on material and equipment, and possible easement acquisition issues for the new 34.5 kV line, at this time Southern Pioneer and Mid-Kansas cannot meet the City's desired summer of 2015 in-service date. Southern Pioneer and Mid-Kansas will not proceed with the Project under any circumstances without the necessary cost allocation agreement(s) executed by the parties. Alternatively, and for planning purposes, if you wish to defer the Project to a later point in time as opposed to withdrawing KPP's request, we would appreciate notification stating such, with the understanding that any deferral of the Project could result in changes to the Project or Proposal, including but not limited to, changes in cost estimates and lead-times on equipment and material.

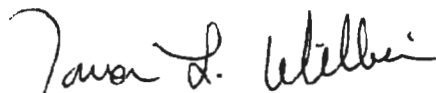
We look forward to hearing from you as soon as possible. In the event we do not receive a formal response on or before Thursday, August 28, 2014, we will conclude that you no longer desire that the Project move forward and that Southern Pioneer and Mid-Kansas, unless agreed to otherwise in writing, do not have any further obligations with regard to the proposed Project.

Please feel free to contact us at the contact information listed below should you need additional information or wish to discuss.

Sincerely,



Randy Magnison
Executive Vice President – Assistant CEO
Southern Pioneer Electric Company
(620) 424-5211
rmagnison@pioneerelectric.coop



Norman L. Williams
Vice President, Transmission Policy and Compliance
Mid-Kansas Electric Company, LLC
(785) 623-3332
nwilliams@sunflower.net

cc (via email only):

KPP: Curtis Irby

Southern Pioneer: Steve Epperson, George Bushnell, Brian Beecher, Chantry Scott, Lindsay Shepard

Mid-Kansas: Mark Calcara, Al Tamimi, Todd VanCleave, Nikki Pfannenstiel

EXHIBIT H



August 25, 2014

Randy Magnison
Executive Vice President – Assistant CEO
Southern Pioneer Electric Company
1850 West Oklahoma, P.O. Box 430
Ulysses, KS 67880

Noman L. Williams
Vice President, Transmission Policy and Compliance
Mid-Kansas Electric Company, LLC
301 W 13th, P.O. Box 980
Hays, KS 67601

RE: Transmission Service to the City of Kingman – Project Notice

Dear Randy and Noman,

This letter is in response to your letter of August 8, 2014 regarding the project to relieve transmission service limitations to the City of Kingman (the "Kingman Project").

First, I want you to know that we greatly appreciate the cooperation and effort that has went into developing the Kingman Project. In addition, we appreciate the work done by Mid-Kansas to add Ninnescah 115 kV line into the Mid-Kansas transmission system and believe this will greatly enhance transmission service and solutions in the local area. Furthermore, we understand your desire to move forward with the Kingman Project soon, and we recognize that incorporation of this project into the local transmission topography is a critical element of planning future transmission service in the area.

Several issues have arisen which has delayed our response to you regarding the project. While we certainly would prefer to have this project incorporated before the summer of 2015, we concede that due to delays on our part that may no longer be possible. Nonetheless we remain interested in the project and hope to have internal evaluations and approvals done within the next few months.

Specifically there are two issues that have delayed our response and our internal approval of the project. First, we are still awaiting a more formal engineering review, recommendation and cost estimate regarding distribution upgrades that will be necessary to Kingman's substation to import their

EXHIBIT H

entire load. Second, we are in the process of trying to find out what effect the recent acquisition of Kingman's largest industrial customer by an overseas company will have on local operations and our forecasted Kingman load.

The Kingman project has unique cost sharing components between KPP and Southern Pioneer that appear to benefit all parties. KPP faces a similar challenge in making sure there is such an agreement between KPP and its member, the City of Kingman, to allocate these costs, as well as the costs of Kingman's internal upgrades between KPP and the City of Kingman. It is the development and approval of this agreement that has been delayed until we have a better cost estimate of Kingman's distribution improvements and future expected load.

Under KPP's membership rate structure, KPP would see benefits from unlimited transmission service to the City of Kingman. Obviously Kingman would also see benefits from decreased local generation costs. However neither party, KPP or the City of Kingman, appear to achieve benefits that would justify taking on all of the necessary costs.¹ Nonetheless, taken together it does appear that overall benefits will likely exceed the overall costs. For this reason it has been my challenge to get an accurate understanding of the City of Kingman's upgrade costs and load forecast, so that we may develop an appropriate cost sharing mechanism between KPP and the City of Kingman. While I have discussed the issues with my board, and they are generally supportive, I am awaiting an improved cost estimate on the local upgrades and a better understanding of the Kingman load forecast, both of which I expect to have within the next few months.

In summary we are still very much interested in the project. We understand that our delay may well mean that installation and operation before the summer of 2015 is not achievable and that the cost estimate may need some adjustment. Nonetheless we fully expect to have the information and approvals we need to go forward within the next few months, and at worst no later than the end of the year.

Sincerely,



Larry Holloway
Assistant General Manager – Operations
Kansas Power Pool
(316) 624 – 3166
lholloway@kansaspowerpool.org

¹ Both the KPP allocation of the "Kingman Project" costs and the local distribution upgrades.

EXHIBIT H

cc: (via email only)

KPP: Curtis Irby, Mark Chesney

Southern Pioneer: Steve Epperson, George Bushnell, Brian Beecher, Chantry Scott, Lindsay Shepard

Mid- Kansas: Mark Calcara, Al Tamimi, Todd VanCleave, Nikki Pfannenstiel

City of Kingman : Ira Hart, Emily Graf

EXHIBIT I



July 31, 2015

Via: US Mail and Email

Curtis Irby
Glaves, Irby & Rhoads
155 North Market Street
Suite 1050
Wichita, KS 67202
cmirby@sbcglobal.net

RE: Request for Information

Dear Curtis:

In the last few months, Mid-Kansas Electric Company, LLC ("Mid-Kansas") and Southern Pioneer Electric Company ("Southern Pioneer") have been working with KPP to address outstanding transmission service and rate matters among the companies. Much of the recent efforts have centered on the contractual local access charge ("LAC") rate for the 34.5 kV sub-transmission services by Southern Pioneer for local access delivery of the output from the Greensburg Wind Farm ("GBWF").

In the continuing efforts to work with KPP, we met in Wichita to discuss the basis for the GBWF LAC rate. At the end of the meeting, KPP requested Southern Pioneer set forth in writing Southern Pioneer's support for its position, including reference to the tariff(s) and any other legal authority justifying the charges. Accordingly, Southern Pioneer provided KPP with such information on May 29, 2015. The information also included a proposal to modify KPP's current special contract service arrangements consistent with the terms of the Mid-Kansas OATT and Southern Pioneer Local Access Delivery Service Tariff.

Southern Pioneer made clear in the meeting with KPP and in its May 29, 2015 written communication that modifying KPP's local delivery service arrangements to the strict terms of the Mid-Kansas OATT would require looking at all of KPP's network resources and network load located in the Mid-Kansas footprint, not just the GBWF, and that application of the Mid-Kansas OATT may or may not result in the elimination of the GBWF "first mile" LAC payment. It is dependent on the operation of KPP's network resources located in the Mid-Kansas footprint relative to its network load.

On June 15, 2015, Southern Pioneer received a response from you essentially expressing KPP's disagreement with Southern Pioneer's application of the tariff to the GBWF. Southern Pioneer finds itself at a loss to understand the legal basis for KPP's position. However, most disturbing is the latest efforts of Mr. Holloway to raise his

Southern Pioneer Electric Company, 1850 West Oklahoma, P.O. Box 430, Ulysses, Kansas 67880

Mid-Kansas Electric Company, 301 W 13th, P.O. Box 980, Hays, Kansas 67601

EXHIBIT I

Mr. Curtis Irby
July 31, 2015

Page 2

objections to the GBWF LAC before FERC Commissioner LaFleur. As a result, we feel it is time to state our position with absolute clarity. We find no basis in law or regulation to support Mr. Holloway's positions. Therefore, should KPP wish to pursue this discussion further, Southern Pioneer would require KPP provide legal authority supporting KPP's position in order to assist Southern Pioneer in assessing and understanding KPP's position.

In a related matter, Mid-Kansas recently received a request from Mike Jones of Olson Associates for the capacity availability on the Mid-Kansas 115 kV transmission line that runs from north of Pratt to north of Cairo/Cunningham (the "Ninnescah Transmission Line"). The request asked for the information by August 1, 2015. Please be advised that the requested 115kV system capability will require a study by SPP and Mid-Kansas under the SPP AQ Attachment "OATT Attachment AQ Delivery Point Addition Processes". The study should incorporate projected near-term and long-term load forecasts and the use of the latest approved SPP MDWG models and/or ITPNT models to determine if there are any SPP Criteria violations. Also, Mid-Kansas will conduct an internal study for the new load delivery point to determine if there will be any NERC TPL and FAC-002 Reliability Standard violations. Further, the AQ process requires KPP to initiate the contact with SPP and submit a copy of their AQ application to SPP and Mid-Kansas for a new delivery point on the Ninnescah Transmission Line. Therefore, Mid-Kansas is reluctant to initiate the study and provide any response to the data requested by KPP's consultant pertaining to the new delivery point until it receives the notification and a copy of the AQ application from KPP for this load. All incurred costs associated with the Mid-Kansas evaluation of this new load delivery point will be charged back to KPP.

With the request, we feel compelled to remind KPP that KPP requested Mid-Kansas pursue the purchase of the Ninnescah Transmission Line from Ninnescah Rural Electric Cooperative Association, Inc. ("Ninnescah"). With the acquisition of the line, Southern Pioneer would be able to build out to the line and relieve the transmission service constraint currently inhibiting full import service to the City of Kingman. After lengthy negotiation with Ninnescah, Mid-Kansas purchased the line for a purchase price of \$950,000. The book value of the line was \$352,206. Mid-Kansas agreed to pay the purchase price, including the premium, with the understanding KPP was committed to Mid-Kansas to interconnect with the Ninnescah Transmission Line and to Southern Pioneer for 34.5 kV upgrades to provide full service to Kingman under the Mid-Kansas OATT. The ability to assist the City of Kingman and the additional 34.5 kV LAC payment from KPP was in large part Mid-Kansas's justification for purchasing the line and paying the premium.

On January 27, 2014, consistent with our understanding, KPP provided a project notice to Southern Pioneer to proceed with an upgrade to the 115kV/34.5kV transformer at the SemCrude Transmission Substation to provide full import service to Kingman (the "Kingman Project"). Southern Pioneer subsequently provided cost estimates to KPP for the Kingman Project on June 13, 2014. After providing the information requested, no further communication from KPP was received. On August 8, 2014, due to a lack of response from KPP, Southern Pioneer was compelled to notify KPP that if KPP did not commit to the upgrades, Southern Pioneer could not meet KPP's requested commercial operation date. KPP subsequently responded on August 25, 2014, stating how much it

EXHIBIT I

Mr. Curtis Irby
July 31, 2015

Page 3

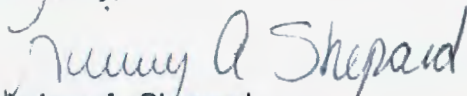
appreciated Southern Pioneer and Mid-Kansas's cooperation and effort in developing the Kingman Project and Mid-Kansas's acquisition of the Ninnescah Transmission Line, and advising that KPP was still interested in the project but that it needed additional time with the City of Kingman to conduct internal analyses and receive the necessary approvals which it expected to receive in the next few months. To date, Southern Pioneer and Mid-Kansas still have still not received a firm response from KPP on the Kingman Project.

Mid-Kansas entered into the purchase of the Ninnescah Transmission Line with the understanding KPP was committed to an equitable cost allocation for upgrades to Southern Pioneer's 34.5 kV facilities to provide full service over Southern Pioneer's 34.5 kV sub-transmission system to the City of Kingman. Despite KPP's assurances in its letter of August 25, 2014, we now are being told that KPP is considering building new facilities duplicating the facilities of Southern Pioneer in Southern Pioneer's certified service territory and will not connect as expected to Southern Pioneer's existing 34.5 kV facilities at the SemCrude Transmission Substation. Considering our significant efforts undertaken to assist KPP and the City of Kingman in resolving their transmission service constraints and the understanding we had to justify the purchase of the Ninnescah Transmission Line pursuant to the settlement agreement, we find this very disappointing and hope KPP will take this into consideration in its decision.

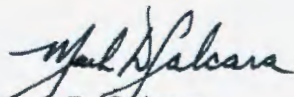
Again, we reiterate our desire to work with KPP and the City of Kingman to provide affordable transmission services. To that end, next week we will send for your review an updated cost estimate according to the respective cost allocation methodologies for the SemCrude Transmission Substation upgrades for full service to the City of Kingman. Please be advised that the cost estimates may be modified if KPP does not act at this time.

Thank you for your consideration in these matters.

Sincerely,



Lindsay A. Shepard
Executive Vice President – General Counsel
Southern Pioneer Electric Company
(620) 424-5206
lshepard@pioneerelectric.coop



Mark D. Calcara
Vice President, General Counsel, and Secretary
Mid-Kansas Electric Company, LLC
(785) 623-3320
mcalcara@sunflower.net

EXHIBIT I

Mr. Curtis Irby
July 31, 2015

Page 4

cc (*via email only*):

Southern Pioneer: Steve Epperson, Randy Magnison, George Bushnell
Mid-Kansas: Stuart Lowry, Al Tamimi

Subject: KPP - Greensburg and Kingman Matters

Date: Thursday, August 20, 2015 at 3:56:40 PM Central Daylight Time

From: Curtis Irby

To: Mark Calcara, 'Lindsay Shepard'

Dear Mark and Lindsay:

I wanted to update you about the conversations I've been having with KPP, most recently yesterday morning. Mark Chesney, Larry Holloway and I had a long and productive conversation on all of the issues related to our current matters and additionally, about the presentation which took place at the transmission symposium in Lawrence. We discussed these matters at length and ultimately, we came to the conclusion that we really want to have the best relationship we can with MKEC, Southern Pioneer and Sunflower

That being said, KPP wishes in every way to continue the good relationship we have had with all of you in the past. Frankly, we think that perhaps the best way to improve that relationship is to get back to the business of resolving issues between us and building on our relationship from that point. To that end, we suggest we do the following:

1. Have Lindsay send me the update on costs as calculated by you for the Kingman project.
2. I believe Lindsay was going to give me a response regarding my email when I asked for clarification about your settlement proposal. We still would like to see and consider that and then hopefully get back with all of you with further communications.
3. Larry would like to resume conversations with Al Tamimi regarding Kingman, Greensburg and related issues.

KPP believes it has an obligation to its members to intervene in the 16-MKEE-023-TAR docket. I am working on a Petition to Intervene now and it should be filed in the immediate future.

I want you to know that we will endeavor in every way possible and I hope both of you will do the same in communicating to us in an appropriate manner. I realize we have a huge policy issue involving 34.5 kV transmission, but as a matter of policy, KPP still considers that 34.5 kV transmission across the state, not just your system, to be more appropriately placed under SPP's control. This seems to make logical sense.

I wanted to be up front with both of you so that you understand where things are at. Likewise, I want to personally assure both of you and your clients that while this is a policy issue for KPP, it is certainly not an issue that is meant to cause Mid-Kansas or Sunflower problems, but rather it's to correct what KPP considers to be an error in the transmission system in this state which, if ever fixed, would expedite transmission services for KPP and its members.

Finally, I want you both to know that I always welcome phone calls and emails from you regarding matters about any of my clients. Thanks.

Very truly yours,

Curtis M. Irby

EXHIBIT J

KPP General Counsel
155 N. Market, Suite 1050
Wichita, Kansas 67202
Telephone (316) 262-5181

P Consider the environment Print this email only if necessary.

IMPORTANT: This communication contains information from the law firm of Graves, Irby & Rhoads which may be confidential and privileged. If it appears that this communication was addressed or sent to you in error, you may not use or copy this communication or any information contained therein, and you may not disclose this communication or the information contained therein to anyone else. In such circumstances, please notify me immediately by reply email or by telephone. Thank you.

IRS Circular 230 Disclaimer: Any federal tax advice contained in this communication (including any attachments) was not written or intended to be relied upon, and may not be relied upon, to avoid the imposition of penalties by the Internal Revenue Service. No one, without our express prior written permission, may use any written statement contained in this message (including any attachments) in the promotion, marketing, or recommendation of an arrangement relating to a federal tax transaction or matter.

EXHIBIT J

Lindsay Shepard

From: Lindsay Shepard
Sent: Thursday, September 10, 2015 4:18 PM
To: 'Curtis Irby'
Cc: Calcara, Mark (mcalcara@sunflower.net)
Subject: RE: KPP - Greensburg and Kingman Matters
Attachments: 150910 Copy of Kingman 2015 - FINAL.xlsx; 150910 Response to Curtis Irby email dated 6-15-15.pdf

Curtis-

Thank you for your email updating us on the status of your conversations with Mark and Larry regarding the outstanding transmission service issues. We appreciate KPP's desire to strive towards a resolution of the issues and ensure a good working relationship moving forward. Southern Pioneer and Mid-Kansas both want the same. However, per your comments below, it appears we continue to rehash the same issues regarding the classification of the 34.5 kV. Unlike other Kansas transmission owning members of SPP that have classified their 34.5 kV systems as "transmission" under the SPP OATT, Mid-Kansas is not a vertically integrated utility. The Mid-Kansas Member systems made the business decision when the Aquila assets were acquired in 2007 that they would separately own and operate the 34.5 kV systems, as a majority of the facilities provide a "distribution" function serving retail load. Further, the Mid-Kansas Members are not Members of SPP. This business decision regarding the ownership and classification of the 34.5 kV systems was affirmed by the KCC in the classification policy docket when they approved the S&A, a settlement that KPP was a party to (11-597 Order). Moreover, as part of the same docket, Southern Pioneer and Mid-Kansas agreed to a settlement with KPP regarding the GWF charges, reducing KPP's 34.5 kV LAC tariff amount by roughly \$800K to date.

In response to your specific requests:

1. **Kingman** – Attached please find an updated Cost Estimate and Allocation Spreadsheet for the 34.5 kV upgrades necessary to provide full transmission service to the City of Kingman. This spreadsheet has been updated from the last proposal sent to KPP on June 13, 2014. The main changes include:
 - o Updated facility cost estimates.
 - o Updated Commission approved SPECo LAC rate.
 - o Corrected the application of the "Or" cost allocation methodology. The original proposal did not properly apply the FERC "Or" pricing methodology.
 - o Included a separate tab for "LRS" pricing methodology. Please note that use of the LRS pricing methodology would require Commission approval as it is a deviation from the 597 Order requiring the use of "Or" pricing.

****Before moving forward with the construction of the proposed 34.5 kV facilities, an acceptable cost allocation agreement must be executed by and between KPP, Southern Pioneer and Mid-Kansas.**

2. **Greensburg Wind Farm (GWF)** – Southern Pioneer and Mid-Kansas believe that our most recent letters, dated May 29 and July 31, 2015, provide our full response regarding the GWF and the statements/questions in your letter dated June 15, 2015. Simply put (again), if Mr. Holloway believes we are incorrectly applying the LAC, then we ask that he please provide the legal support for his assertions. We do not find it helpful to continue rehashing the same items. However, if KPP truly would like to explore moving to the strict terms of the MK OATT, we are open to discussing how the service would be structured under the OATT. Please see our particular responses to your subject email in the attached pdf document. Any capitalized terms not otherwise defined therein are as defined in the Mid-Kansas OATT.

We look forward to your response on these matters. Again, we also want to continue our good working relationship and therefore hope we can put these issues behind us very soon.

EXHIBIT J



PROJECT ESTIMATE

City of Kingman Load Increase

Task	Cost	Direct Assign
Transformer	\$ 750,000.00	
Substation Work -From Peak Power	\$ 223,190.11	Kingman
3rd Part Testing and Commissioning	\$ 15,000.00	Kingman
Engineering	\$ 35,000.00	
Substation RTU Relay Settings and Testing (Sunflower-JK)	\$ 3,000.00	Kingman
New Meter North of Cunningham	\$ 60,000.00	SPECO
Data Circuit/RTU at breaker site if Required (Sunflower-JK)	\$ 12,500.00	
34.5 KV line from Transmission sub to new meter site	\$ 673,638.14	
Moving existing 115/34.5 kV transformer	\$ 35,000.00	
TOTAL	\$ 1,807,328.25	
Or Pricing Allocation		
Kingman	\$ 1,312,200.77	
SPECO	\$ 495,127.48	
TOTAL	\$ 1,807,328.25	

EXHIBIT J

Southern Pioneer - Mid-Kansas Electric Co. LLC
 34.5 kV Line Extension Template
 KPP - City of Kingman load addition

Calculation of OR Pricing

Inputs:

Borrowing Rate	6.00%	Southern Pioneer supply borrowing rate
Borrowing Rate Multiplier	1.64	Southern Pioneer TIER equivalent to 1.75 DSC

Return portion of carrying charge rate	9.84%	
O&M recovery rate	7.30%	Southern Pioneer supply O&M Rate
NPV Discount rate	17.14%	
Years of Service	10.00	
Member	Southern Pioneer	
Local Access Rate	\$ 4.51	(per kw-mo)
Load addition	20,816	(kW)
Estimated Network Upgrade (non-direct assigned) Cost	\$ 1,506,138	

Calculation:

New Load CP	20,816	
Local Access Rate	\$ 4.51	
Annual Local Access Revenue Increase - Calculated	\$ 93,879	2014 LAC Revenue - Kingman Generation
		Coincident with Southern Pioneer 34.5
NPV of Annual Local Access Revenue Increase	\$ 435,127	
Estimated Network Upgrade (non-direct assigned) Cost	\$ 1,506,138	
NPV of Annual Local Access Revenue Increase	\$ (435,127)	
Required Customer Contribution	\$ 1,071,011	

Monthly NCP Values

Row Labels	Max of Sum of Kingman & Semcrude	So. Plon. LAC Peak Date & Time	Generation Coincident with peak	\$	SPECo - LAC
January	7,620.8	10614 1900	-	-	
February	7,394.5	20514 1900	-	-	
March	6,927.3	30314 2000	-	-	
April	6,256.8	42314 1500	-	-	
May	9,246.0	52914 1600	1,828	8,242	
June	10,919.5	63014 1600	4,093	18,459	
July	11,692.3	72514 1600	4,932	22,243	
August	11,996.3	82114 1600	4,988	22,497	
September	11,298.0	90314 1600	3,280	14,793	
October	8,818.5	100114 1600	1,695	7,644	
November	7,346.3	111214 1900	-	-	
December	7,993.8	123014 1900	-	-	
			20,816	\$ 93,879	

OR Pricing Summary

	Total Cost	Kingman	SPECo
SPECO PORTION WITH OR PRICING	\$ 435,127.48		\$ 435,127.48
SPECO DIRECT ASSIGNED	\$ 60,000.00		\$ 60,000.00
KINGMAN PORTION WITH OR PRICING	\$ 1,071,010.66	\$ 1,071,010.66	
KINGMAN DIRECT ASSIGNED	\$ 241,190.11	\$ 241,190.11	
TOTAL PROJECT COST	\$ 1,807,328.25	\$ 1,312,200.77	\$ 495,127.48

EXHIBIT J

**Southern Pioneer Electric Cooperative, Inc.
2014 Recovery Factors**

Line	Description	Amount	Source
1	Annual Costs		
2	1. Transmission O&M Factor		
3	Transmission O&M Expense	\$ 1,070,758	Form 7, 2014, Part A, Column (b), Line 4.
4	Transmission Plant in Service	\$ 24,559,284	Form 7, 2014, Part E, Column (e), Line 5.
5	Less: Accum. Res. for Depreciation	\$ 5,466,905	Per SPEC Trial Balance.
6	Net Transmission Plant in Service	\$ 19,092,379	
7	O&M Factor	5.61%	
8			
9	2. Administrative & General Overhead		
10	<i>Overhead Expense</i>		
11	Administrative and General Expense	\$ 1,838,163	Form 7, 2014, Part A, Line (b)11.
12	General Plant Interest	\$ 5,595,089 \$ 329,123	(Form 7, 2014, Part A, Line 16) / General Plant Ratio ¹
13	General Plant Depreciation	\$ 2,799,696 \$ 164,688	(Form 7, 2014, Part A, Line 13) / General Plant Ratio ¹
14	Subtotal	\$ 2,331,974	Sum of Lines 11-13.
15	<i>Operating Expenses</i>		
16	Transmission O&M	\$ 1,070,758	Line 3.
17	Distribution O&M	\$ 5,166,313	Form 7, 2014, Part A, Column (b), Lines 6-7.
18	Customer Accounting	\$ 1,323,317	Form 7, 2014, Part A, Column (b), Lines 8.
19	Customer Service & Information	\$ 184,522	Form 7, 2014, Part A, Column (b), Lines 9.
20	Sales	\$ 3,450	Form 7, 2014, Part A, Column (b), Lines 10.
21	Subtotal	\$ 7,748,360	Sum Lines 16-20.
22	A&G as % of Other Operating Expenses	30.10%	Line 14 / Line 21
23	A&G + Overhead Factor	1.69%	Line 7 * Line 22
24			
25	2. Transmission O&M Factor	5.61%	Line 7.
26	3. Administrative & General Overhead	1.69%	Line 23.
27	Total Recovery Factor	<u>7.30%</u>	Sum Lines 25-26.

	Total Utility Plant	General Plant	Ratio
¹	\$ 112,901,004	\$ 6,783,242	17

EXHIBIT J



ENGINEERING COST ESTIMATE

P.O. Box 340, Golden, Colorado 80402
(303) 462-1100, Fax (303) 462-2600

Southern Pioneer Electric Company
SemCrude Transmission Substation - Installed Cost Estimate Date: 7/21/2015
For adding a 34.5kV Line Terminal Proposal: E1400043

Description	QTY	UNIT	Material		Contract Labor	
			Unit Cost	Ext. Cost	Unit Cost listed in MH	Ext. Cost
Feeder 52-F3	1	ea			\$110.00	
35kV, 2000A Breaker	1	ea	\$35,000.00	\$35,000.00	16	\$1,760.00
Steel Structures	4352	pounds	\$1.50	\$6,528.00	0.007	\$3,520.00
Foundations (5)	10.9	cy	\$100.00	\$1,090.00	\$1,200.00	\$13,080.00
Switch, Gang, 1200A, 35kV	1	ea	\$4,782.00	\$4,782.00	12	\$1,320.00
Grounding, Misc.	1	lot	\$2,200.00	\$2,200.00	24	\$2,640.00
Jumpers, Misc. Terminals	1	lot	\$2,500.00	\$2,500.00	24	\$2,640.00
Conduit, 6" PVC	330	ft	\$2.00	\$660.00	46	\$5,280.00
Cable, 35kV	990	ft	\$24.00	\$23,760.00	56	\$6,160.00
SA's	3	ea	\$450.00	\$1,350.00	2	\$220.00
Conduit, 3" PVC	320	ft	\$0.50	\$160.00	72	\$7,920.00
Cable, Control	1800	ft	\$4.00	\$7,200.00	56	\$6,160.00
Static Mast / Shielding	1	ea			\$110.00	
Steel Pole, Direct Buried	1	ea	\$3,500.00	\$3,500.00	12	\$1,320.00
3/8" EHS and hardware	1	lot	\$2,500.00	\$2,500.00	8	\$880.00
Grounding	1	lot	\$250.00	\$250.00	4	\$440.00
Power Transformer - 115/34.5kV	1	ea			\$110.00	
Power Transformer (FOB Site)	0	ea	\$750,000.00	\$0.00	0	\$0.00
Crane Services (2x - offload and set on pad)	0	ea	\$0.00	\$0.00	\$20,000.00	\$0.00
J-box and Control Cable modifications	1	lot	\$500.00	\$500.00	16	\$1,760.00
Relaying Additions	1	ea			\$110.00	
SEL 351 Relay	1	ea	\$4,500.00	\$4,500.00	1	\$110.00
FT-19 Test Switches	2	ea	\$750.00	\$1,500.00	2	\$4.00
Control Switches	1	ea	\$750.00	\$750.00	1	\$110.00
SIS Wiring	1	lot	\$500.00	\$500.00	40	\$4,400.00
Other	1	lot				
RTU / relay settings and testing	1	ea	by others	by others	by others	by others
3rd Party Testing and Commissioning	1	ea	by others	by others	by others	by others
Substation Engineering (Itemized seperately)	1	lot	\$0.00	\$0.00	\$37,000.00	\$37,000.00
Contingency(@10.0%)				\$9,923.00		\$9,672.40
Sales Tax (@7.0%)				\$7,640.71		
				\$116,793.71		\$106,396.40

\$223,190.11

EXHIBIT J



PROJECT ESTIMATE

Total LRS 100.00% **Kingman LRS** 77.13% **SPECO LRS** 22.87%

City of Kingman Load Increase

Task	Cost	Kingman	SPECO	Cost Allocation	Notes
1 Transformer	\$ 750,000.00	\$ 578,467.53	\$ 171,532.47	LRS	
2 Substation Work -From Peak Power	\$ 223,190.11	\$ 223,190.11	\$ -	Kingman	
3 3rd Part Testing and Commissioning	\$ 15,000.00	\$ 15,000.00	\$ -	Kingman	
4 Engineering	\$ 35,000.00	\$ 26,995.15	\$ 8,004.85	LRS	
5 Substation RTU Relay Settings and Testing (Sunflower-JK)	\$ 3,000.00	\$ 3,000.00	\$ -	Kingman	
6 New Meter North of Cunningham	\$ 60,000.00	\$ -	\$ 60,000.00	SPECO	
7 Data Circuit/RTU at breaker site if Required (Sunflower-JK)	\$ 12,500.00	\$ 9,641.13	\$ 2,858.87	LRS	
8 34.5 KV line from Transmission sub to new meter site	\$ 673,638.14	\$ 519,570.39	\$ 154,067.75	LRS	See Notes 1, 2
9 Moving existing 115/34.5 kV transformer	\$ 35,000.00	\$ 26,995.15	\$ 8,004.85	LRS	
TOTAL	\$ 1,807,328.25	\$ 1,402,859.46	\$ 404,468.79		

LRS=Load Ratio Share

Note 1-- Southern Pioneer may use line during emergency situation to backfeed Southern Pioneer existing load

Note 2-- Kingman will transfer ownership of 34.5 kV line between existing metering site and new metering site

EXHIBIT J

Note: all values are annual NCP kW

Kingman Load

6,127

Kingman Generation

5,009

Semcrude = estimated Whitcliffs Total

2,370

Whitcliffs add in January 2015

(estimated)

932

Total Load

Kingman Total

11,136

Load Ratio Share

77.13%

Southern Pioneer Total

3,302

Load Ratio Share

22.87%

14,438

100.0%

EXHIBIT K

Request for Change in Local Delivery Facilities

Pursuant to the Delivery Point Addition Process in Attachment AQ of the Tariff notice is hereby provided on **September 28, 2015** to **Mid-Kansas Electric Company (MKEC)** and Transmission Provider that Transmission Customer requests certain changes in delivery point(s) under the agreement.

Responses marked with an asterisk (*) are required. Supply all details that are known or projected.

Requested Modification

- 1) Description of delivery point modification*
 - a) Type of change requested (new delivery point, upgrade of an existing delivery point, retirement or abandonment of an existing delivery point, etc.) *

Move Delivery Point for service to the City of Kingman from 115kV/34.5kV transformer at Pratt 1, circuit 539726 P1 to new delivery point on 115 kV line near Northern Natural compressor station approximately 2 miles west and 2 ½ miles north of Cunningham, KS.
 - b) Proposed in service date of the modification*

May 1, 2017
 - c) Reason for the requested change (i.e. normal or unexpected load growth or load reduction, reliability needs or other reason) *

To allow full import capability of load at Kingman and full export capability of market registered units at Kingman
 - d) Related transmission service agreement*

Kansas Power Pool NITSA NOA - SA 2198R19 - OASIS 80113898, 75402065, 75402069
 - e) Location of the delivery point change and identification of the facilities involved*
 - i) Geographic location of the new delivery point or the delivery point to be modified*

Approximately 2 miles west and 2 ½ miles north of Cunningham, KS. Located in the Northeast ¼ of Section 24, 27S11W, Pratt County, KS or thereabouts.
 - ii) The transmission facilities of the Host Transmission Owner involved in the change*

End of 115 kV radial line connecting Mulgren to Medicine lodge 115 kV about 2 miles northwest of Pratt, Ks to Northern Natural compressor station about 2 miles west and 2 ½ miles north of Pratt, KS.
 - iii) Voltage of the facilities involved*

115 kV. Substation will be constructed with 115/34.5 kV transformer to interconnect with customer constructed 34.5 kV line.
 - iv) Desired meter location*

Preferred location is 115 kV side of delivery facilities. 34.5 kV is second choice.
 - v) Expected impact on other delivery points, if any*
 - (1) Load transfer from another delivery point and, if so, estimated amount*

New delivery point load forecast below. Approximately 13 MW new load and 16 MW of registered generation on the load side (the City of Kingman's distribution system).

EXHIBIT K

(2) Anticipated modifications to other delivery points due to this change, if any*

Decrease in load of 6 MW at Pratt 1 circuit 539726 P1. Difference is reflected in import limits for load and generation at Kingman.

vi) Facilities of others that may be involved*

None anticipated.

2) Facilities to be constructed

a) Facilities to be constructed or provided by the Host Transmission Owner

Minimum facilities as required.

b) Facilities to be constructed or provided by the Transmission Customer

Substation with 115/34.5 kV transformer with interconnection facilities and local 34.5 kV facilities as determined by subsequent engineering studies.

3) Technical Aspects of a new delivery point

a) Location

General location description provided above. Specific location to be determined by subsequent detailed engineering and right of way acquisition.

i) Located near structure number

ii) 911 address

iii) State, County and $\frac{1}{4}$ of $\frac{1}{4}$ Section number

iv) GPS Coordinates

b) Technical aspects

As Described. Specifics to be determined by subsequent engineering studies and requirements.

i) Anticipated initial load*

4) ***Approximately 13 MW new load and 16 MW of registered generation on the load side (the City of Kingman's distribution system).***

i) Number of wires (3 or 4 wire connection)

ii) Service voltage

iii) Meter

(1) Type

(2) Voltage

(3) Supplied by

(4) Owned by

(5) PTs and CTs required

(6) Communications configuration

(7) Location of meter

iv) Transformer size and voltages

v) Transmission line conductor size and impedance rating

vi) Type and location of protective devices

5) Other pertinent information

EXHIBIT K

Attachments:

1) One-line diagram showing existing and proposed facilities pertaining to the request. *

Information for Pratt 1 is in the possession of MKEC. Proposed interconnection facilities will be designed by subsequent engineering.

2) IDV file(s) for anticipated starting load.

3) Ten year load forecast for the delivery point being added or modified and any associated changes in the load forecast for other delivery points. *

See Below for new delivery point. Load changes at Pratt 1 will be a consistent reduction of 6 MW for Kingman service. Remaining load forecast is in the possession of MKEC (for Pratt 1 less 6 MW).

Requestor Contact:

Name: **Larry W. Holloway**

Title: **Assistant General Manager - Operations**

Company: **Kansas Power Pool**

Mailing Address: **100 N Broadway, STE L110, Wichita, KS, 67202**

Email Address: **lholloway@kansaspowerpool.org**

Voice Phone No.: **(316) 425-0431**

	10 year Peak Load Forecast for Proposed New Delivery Point										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Load (MW)	12.5	12.8	13.0	13.3	13.5	13.8	14.1	14.4	14.6	14.9	15.2

EXHIBIT K

Mid-Kansas Electric Company (MKEC)

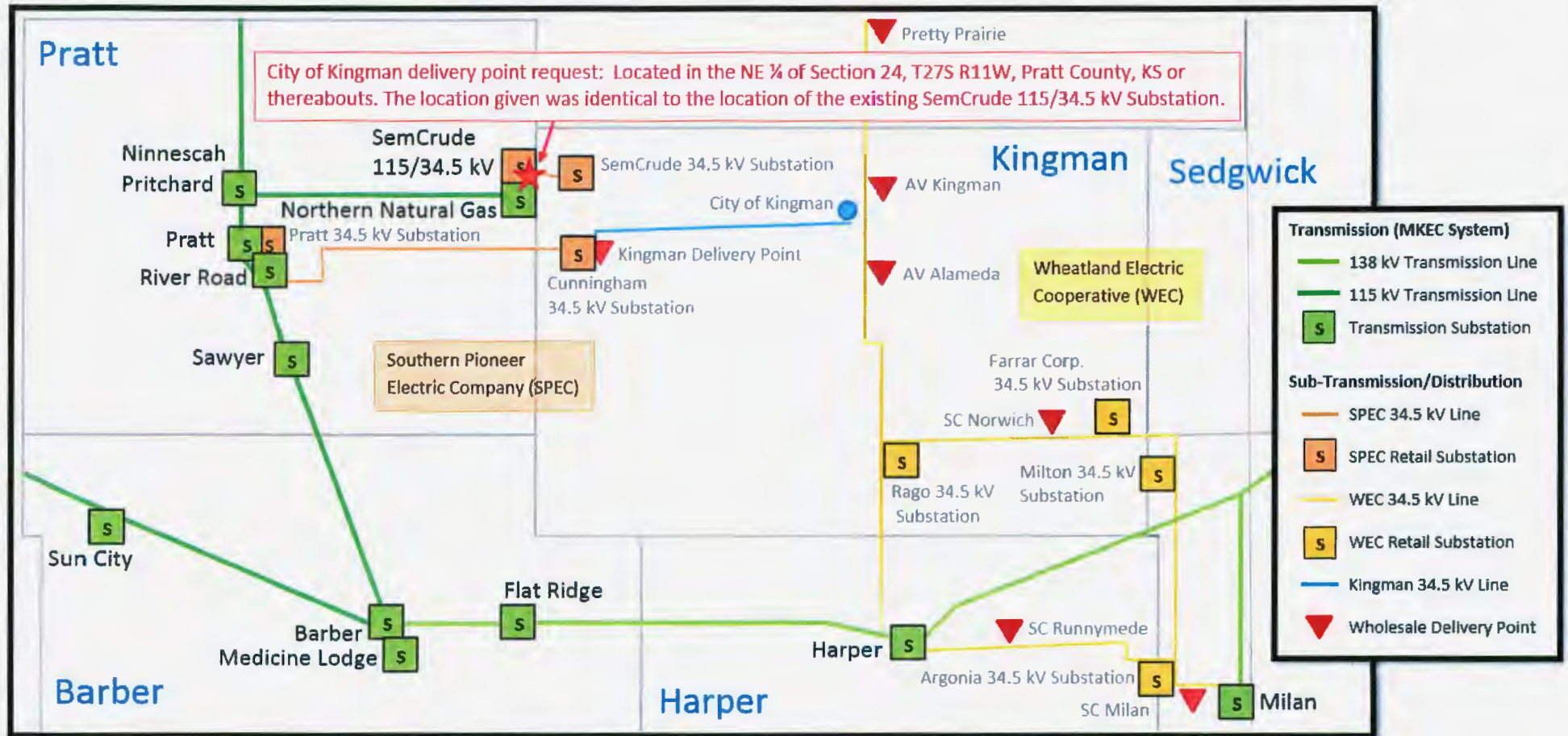


EXHIBIT L



December 3, 2015

Todd VanCleave
Key Accounts Director
Sunflower Electric Company

RE: Transfer of load from the City of Kingman to a new 115 kV tap near the Semcrude substation (151109_AQ Internal Analysis DPA Kingman).

On November 18, 2015 Pete Donlay of the Sunflower Planning Engineering Department completed an AQ for KPP Kingman Load Transfer.¹ The study revealed there are no technical concerns regarding Kansas Power Pool's (KPP's) request to transfer the load from the City of Kingman to the Mid-Kansas Electric Company, LLC (MKEC) 115 kV serving the Semcrude substation near Cunningham, KS. With the conclusion of this study KPP is ready to begin making plans to transfer Kingman's load.

As part of these plans, KPP will need MKEC to install a 115 kV tap and switch near the planned substation location.² Earlier this week I discussed next steps with Clarence Suppes and he informed me that I should make my request through you to make sure that it was properly logged and managed. I also wanted to provide you the courtesy of explaining the time frames for this project.

I have our engineer working on a preliminary cost estimate for all aspects of the project except the MKEC costs for the line tap and the switch. I would like to present these cost estimates at our January 21, 2016 board of director's meeting, so if I could get a preliminary opinion of costs a few days before the meeting I would greatly appreciate it. After that, I believe it will take us a few months to arrange the bond issue and the financing so we are probably looking at a May or June of 2016 time frame to begin the actual project, and I optimistically hope it can be in operation by May, 2017.

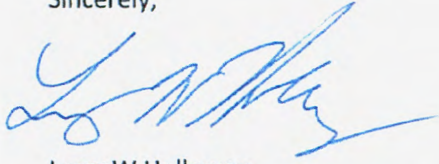
Thanks for your help and please do not hesitate to call me if I can answer any questions or be of assistance.

¹ This study is provided electronically for your reference.

² Details regarding the preliminary location of the tap and the new KPP substation are discussed in the attached AQ analysis.

EXHIBIT L

Sincerely,



Larry W Holloway
KPP Assistant General Manager – Operations
110 N Broadway, Ste. L110
Wichita, KS 67202
(316) 425-0431
lholloway@kansaspowerpool.org

cc: Clarence Suppes, Sunflower
Al Tamimi, Sunflower
Pete Donlay, Sunflower
Ryan Yokley, Sunflower
Mark Chesney, KPP
Ahmad Khan, KPP
Mike Jones, Olsson & Associates

Subject: Re: KPP Delivery Point

Date: Wednesday, November 18, 2015 at 3:00:40 PM Central Standard Time

From: Curtis Irby

To: Lindsay Shepard, Mark Calcara

CC: Larry Holloway

Dear Lindsay and Mark:

Please let me apologize for my delay in responding to Lindsay. I had been discussing this with KPP and frankly, it got lost in the shuffle with our little rate matter going on. I apologize.

After conversations with Larry, I wanted to formally notify you, as you are no doubt aware, that the Kansas Power Pool is pursuing a new delivery point for its Kingman load and generation on the Mid-Kansas system through the SPPAQ process.

At the present time, KPP views SP's proposal for utilization of its semi-crude substation as not economical to the Kansas Power Pool.

Obviously, we simply wanted to confirm our pursuit of a new dialogue point for our Kingman load and certainly do not intend by doing this to close any doors which are now open or may open in the future about doing this in a way which would be advantageous to all of us.

Very truly yours,

Curtis M. Irby
KPP General Counsel
155 N. Market, Suite 1050
Wichita, Kansas 67202
Telephone (316) 262-5181

P.S. Lindsay, I am very sorry about this. It really did get lost in the shuffle. I know you have asked about it a couple of times and I apologize.
Curtis

P Consider the environment. Print this email only if necessary.

IMPORTANT: This communication contains information from the law firm of Gilves, Irby & Rhoads which may be confidential and privileged. If it appears that this communication was addressed or sent to you in error, you may not use or copy this communication or any information contained therein, and you may not disclose this communication or the information contained therein to anyone else. In such circumstances, please notify me immediately by reply email or by telephone. Thank you.

IRS Circular 230 Disclaimer: Any federal tax advice contained in this communication (including any attachments) was not written or intended to be relied upon, and may not be relied upon, to avoid the imposition of penalties by the Internal Revenue Service. No one, without our express prior written permission, may use any written statement contained in this message (including any attachments) in the promotion, marketing, or recommendation of an arrangement relating to a federal tax transaction or matter.

CONFIDENTIAL
EXHIBIT N

EXHIBIT O

SouthernPioneer
ELECTRIC COMPANY
A Not-For-Profit Utility

Southern Pioneer Electric Company
1850 West Oklahoma
P.O. Box 430
Ulysses, Kansas 67880
Toll Free 800.670.4381
www.southernpioneer.net

April 1, 2016

Mark Chesney
CEO
Kansas Power Pool
250 West Douglas Avenue, Ste. 110
Wichita, KS 67202
mchesney@kansaspowerpool.org

Via: Email

RE: Transmission Service to the City of Kingman - Notice

Dear Mark:

This letter is in regards to the City of Kingman ("City") transmission service import limitations. It has come to our attention that the Kansas Power Pool ("KPP") has made a formal request to Mid-Kansas Electric Company, LLC ("Mid-Kansas") for a new interconnection (and associated cost estimate) with the Ninescah 115 kV transmission line ("Ninescah Transmission Line") owned by Mid-Kansas for full transmission service to the City of Kingman. We also understand that as part of this request, a formal AQ request has been submitted by KPP to the Southwest Power Pool, Inc. ("SPP") for a change in the Southern Pioneer Electric Company ("Southern Pioneer") 34.5 kV delivery point currently serving the City of Kingman at the 115 kV/34.5 kV transformer at Pratt 1, circuit 539726 in Kingman County, Kansas, to the newly proposed 115 kV delivery point on the Ninescah Transmission Line near Southern Pioneer's 115 kV/34.5 kV SemCrude Transmission Substation in Pratt County, Kansas.

Southern Pioneer has worked with KPP over the past two and a half years to fulfill what we believe was a good faith global settlement of the 34.5 kV local delivery issues with respect to both Kingman and the Greensburg Wind Farm ("GWF"), resolved in KCC Docket No. 11-MKEE-011-COM. Specifically, in consideration of the dismissal of the GWF complaint and resolution of the Kingman transmission service limitation issues, Southern Pioneer worked with Mid-Kansas to pursue the purchase of the Ninescah Transmission Line from Ninescah Rural Electric Cooperative Association, Inc. It was Southern Pioneer's understanding and intent that with the purchase of the Ninescah Transmission Line, KPP would commit to the line extension and upgrades on Southern Pioneer's 34.5 kV system at its SemCrude Transmission Substation, necessary to provide KPP with full transmission service to the City of Kingman (the "Project").

Pursuant to and in fulfillment of Southern Pioneer and Mid-Kansas's obligations of the global settlement, in April of 2014, Mid-Kansas completed and received Kansas Corporation Commission

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EXHIBIT O

("Commission") approval of the purchase of the Ninnescah Transmission Line at a purchase price of \$950,000, which included a significant acquisition premium. Consistent with the foregoing action, KPP subsequently provided a Project notice to Southern Pioneer to proceed with the upgrade to the 115 kV/34.5 kV transformer at the SemCrude Transmission Substation to provide full import service to the City of Kingman. After face-to-face meetings with KPP to further discuss and scope the Project, Southern Pioneer provided KPP with a cost estimate and associated cost allocation for the Project in June of 2014. Despite a lack of firm commitment to the Project, KPP notified Southern Pioneer in August of 2014 that it was still very interested in pursuing the Project but that it needed additional time with the City of Kingman to conduct its internal review and receive the necessary approvals which it expected to receive in the near future.

Further, Southern Pioneer received additional assurances that KPP was still interested in the Project after Southern Pioneer and Mid-Kansas sent KPP a letter on July 31, 2015, expressing concern with KPP's inquiries to Mid-Kansas regarding capacity on the Ninnescah Transmission Line and the potential for the construction of new and separate facilities by KPP. Specifically, KPP counsel's written response to Southern Pioneer and Mid-Kansas stated that it was KPP's desire to work with Southern Pioneer and Mid-Kansas to resolve the issues and to that end, it was asked that Southern Pioneer please provide an updated cost estimate and allocation for the Project for KPP's review, and that Larry Holloway desired to resume conversations with Al Tamimi at Mid-Kansas regarding the Kingman, Greensburg and related issues.

Per this request, on September 10, 2015, a revised cost estimate and allocation spreadsheet was provided by Southern Pioneer to KPP for the Project. No response was received by Southern Pioneer regarding this information until November 18, 2015, when we received an email from KPP's legal counsel notifying us that KPP was pursuing a new delivery point for service to the City of Kingman through the SPP AQ process. Despite significant efforts to work with KPP in good faith to fulfill the global settlement, it is now clear by way of the SPP AQ submittal and formal interconnection request with Mid-Kansas that KPP is actively pursuing constructing new facilities, duplicating the facilities of Southern Pioneer in Southern Pioneer's certified service territory, and will not connect as expected to Southern Pioneer's existing 34.5 kV facilities at the SemCrude Transmission Substation.

Southern Pioneer deems this action by KPP a violation of our global settlement agreement and the public policy of the State of Kansas to avoid wasteful duplication of facilities. We are therefore compelled to notify you that should you proceed with the construction of these facilities, Southern Pioneer will pursue legal remedies it may have available at law, including the filing of a formal complaint at the Commission, in order to protect our retail and other wholesale customers' respective interests and ensure fair, equitable and non-discriminatory rates. We hope this recourse is not necessary.

Please respond to this letter on or before April 30, 2016, indicating whether you intend to begin construction of the new facilities described herein. Failure to respond by April 30, 2016 will be construed by Southern Pioneer as KPP's intent to violate the global settlement agreement.

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EXHIBIT O

Sincerely,



Steve Epperson
Chief Executive Officer
Southern Pioneer Electric Company
(620) 356-1211
sepperson@pioneerelectric.coop

cc:

Mid-Kansas: Stuart Lowry, Al Tamimi, Mark Calcara, Todd VanCleave

Southern Pioneer: Randy Magnison, George Bushnell, Brian Beecher, Lindsay Shepard

KPP: Larry Holloway, Curtis Irby

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EXHIBIT P



April 30, 2016

Steve Epperson
Chief Executive Officer
Southern Pioneer Electric Company
1850 W Oklahoma
PO Box 430
Ulysses, KS 67880

Re: Transmission Service to the City of Kingman and your letter of April 1, 2016

Dear Steve:

We received your letter dated April 1, 2016 regarding transmission service to Kingman. As the final paragraph of that letter asks for a definitive statement of intent, this letter is written to indicate that it is indeed our intent to proceed with our current plans as has been previously discussed openly in various settings.

Kindly, I am unsure what is meant by your use of the words “global settlement”. I interpret those words as an artful reference to something that would seem surely to transcend the more familiar ‘Stipulation and Agreement’ which is the only “settlement” I am aware of that is relevant in the current context.

You have referenced the agreement reached in KCC Docket No. 11-MKEE-011-COM (“11-011”) regarding use of the Ninnescah 115 kV line. It has always been KPP’s hope to receive electric transmission service for the City of Kingman without going through third party transmission providers that are not under the SPP OATT, such as the SPEC 34.5 kV transmission system. This should be clear.

From paragraph 4 a) of the Stipulation and Agreement:

“Mid-Kansas and Southern Pioneer hereby agree to not oppose the bypass by KPP of Southern Pioneer’s 34.5 kV facilities”

KPP does *not* propose to violate this settlement. Rather, it would appear that opposing a bypass of the SemCrude facilities is indeed a violation. Respectfully, KPP understood that Southern Pioneer would not oppose any bypass of its 34.5 kV facilities when KPP signed the agreement.

It is not necessary to give a lengthy reminder that KPP has been unwavering in its belief that Southern Pioneer’s 34.5 kV transmission system, as well as the 34.5 kV transmission system of other MKEC members, should be placed under the SPP OATT. KPP has addressed that policy issue before the KCC and in other public settings. You are fully aware of this – perhaps even with the annoyance of

EXHIBIT P

repetition. Clearly, with or without notice of an AQ filing, it is no surprise that KPP desires to take transmission service solely under the SPP OATT, without the expense or needless complication of pancaked third party service to access SPP services.

Respectfully, I take exception to your assertion that our plans would cause wasteful duplication of facilities. It would seem to me we are well past that notion given our mutual concurrence that the SemCrude substation requires rebuilding where full transmission service to both Kingman and the current Southern Pioneer customers are concerned.

Relatively speaking, I am a newcomer to KPP. Even so, I am aware of past strained discussions between our organizations or between KPP and MKEC. I have no intention of perpetuating that. It is my intention simply to state our position without attempting to revisit technical history or technical plans. Others in our organization can do that better than I. Regardless, it is unnecessary when simply responding to your letter.

Not long ago I stood in the Statehouse and had a private conversation with an executive officer almost directly associated with your organization. Referencing our apparent inability to agree on a few critical issues he commented, 'we both want the same thing – we want to economically take care of our customers'. I agree with that sentiment. And it is for that reason, and the reasoning stated above, that we intend to proceed. We would appreciate your cooperation. Moreover, we would prefer to rest on the expectation that you will "not oppose bypass of Southern Pioneer's 34.5 kV facilities."

Sincerely,

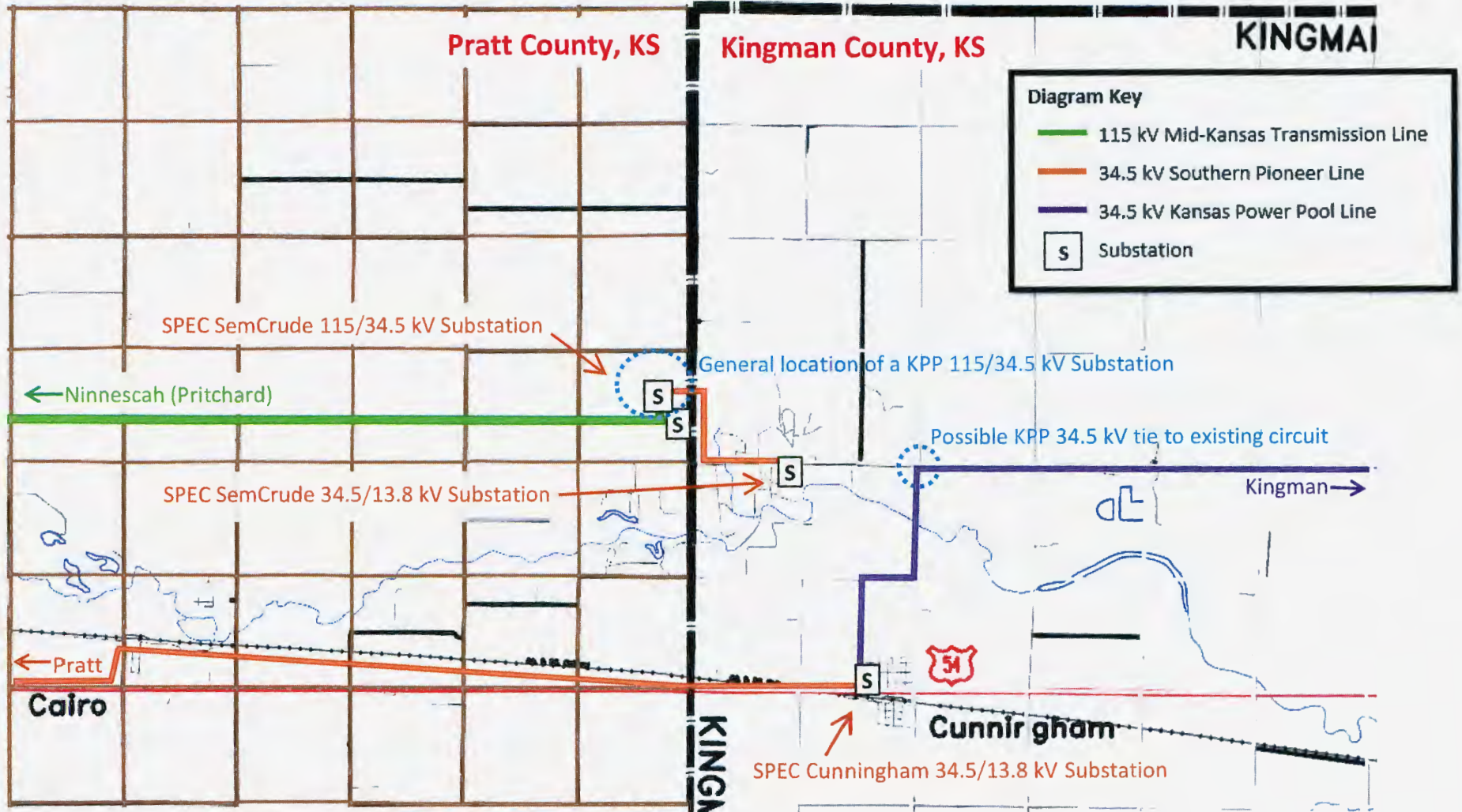


Mark Chesney
Kansas Power Pool
CEO/GM

Cc: Stuart Lowry, Lindsay Shepard, Larry Holloway, Curtis Irby

Exhibit Q

Mid-Kansas Electric Company (MKEC)





Kansas Power Pool Teams with GridLiance to Explore Joint Transmission Projects
New Partnership Intended to Improve Electric Reliability for Kansas Customers

CHICAGO, IL and WICHITA, KS (June 29, 2016) – The Kansas Power Pool (KPP) and GridLiance today announced that the companies are teaming up to improve the transmission infrastructure in KPP’s service area, creating more reliable electricity service for customers. The two companies signed a Co-Development Agreement, demonstrating their commitment to working together in advancing transmission projects that will deliver value to KPP and its member cities.

Through this agreement, GridLiance’s subsidiary within the Southwest Power Pool (SPP) will work with KPP’s 31 member cities to jointly plan, construct and operate transmission infrastructure. GridLiance will also manage North American Electric Reliability Corporation (NERC) compliance and assist KPP in navigating the SPP Regional Transmission Organization (RTO) process, providing KPP greater participation in transmission planning, rate determination and other key functions.

“The prospect of a Co-Development Agreement with a suitable partner had been under discussion for many months, including at our last two annual planning retreats,” said Mark Chesney, CEO and General Manager of the Kansas Power Pool. “Working with GridLiance is most consistent with our municipal mission and values. We are excited and hopeful that this undertaking will address our members’ local issues and provide still other opportunities elsewhere.”

“We are excited and honored to partner with the Kansas Power Pool, opening the door to evaluate and to construct a variety of cost-effective transmission projects in Kansas,” said Kevin Hopper, President of the South Central Region for GridLiance. “We are already working with a number of the municipalities on improvements and are identifying viable reliability solutions for their transmission problems.”

Incorporated in 2014, GridLiance is an independent transmission company singularly focused on addressing Public Power’s unmet local reliability needs and desire for RTO transmission investment opportunities. For more information on GridLiance, or possible partnership, please contact GridLiance’s Business Development team at development@gridliance.com.

About Kansas Power Pool

The Kansas Power Pool is a municipal energy agency created under Kansas statutes with the expressed purpose of providing energy and transmission services for its member / owner municipal electric utilities since 2005.

About GridLiance

GridLiance is the nation’s first competitive transmission company focused on collaborating with underserved Public Power. Through its subsidiary transmission companies formed to operate in each RTO, GridLiance will jointly plan, develop, own and operate transmission assets with Public Power. GridLiance’s mission is to provide its Public Power partners with opportunities to invest in regulated transmission

EXHIBIT B Development projects, enabling the utilities to earn margins from regionally-funded projects to offset transmission rate increases, as well as receive other benefits, including lower energy and delivery costs and increased reliability to their customers, while providing greater access to renewable energy sources. For more information, please visit www.gridliance.com.

Media Contacts

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Kansas Power Pool
Mark Chesney, CEO/GM
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EXHIBIT S

Stranded Cost Charge - SPEC KPP Complaint

\$ 301,680 Annual revenue SPEC receives from the Kingman load
 \$ 4.19 SPEC Local Access Charge per kW
 6,000 KPP monthly kW demand
 \$ 22,739 Annual property tax charges on the Kingman load
 5% Discount Rate

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Total</u>	<u>NPV</u>
Annual Revenue	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 301,680	\$ 3,016,800	\$2,329,492.99
Annual PTS	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 22,739	\$ 227,390	\$175,584.30
												\$2,505,077.29