

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of a General Investigation)
Regarding the Rate Study and Assessment) Docket No. 20-GIME-068-GIE
Expenses Resulting from Substitute for Senate)
Bill No. 69.)

AMENDED ORDER ASSESSING COSTS

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings and conclusions:

1. Senate Bill No. 69 (SB 69), signed by the Governor on April 10, 2019, and effective on April 19, 2019,¹ directs the Legislative Coordinating Council (LCC) to authorize a rate study of Kansas electric utilities. The utilities subject to the study include electric public utilities, electric cooperative public utilities exempt from Commission jurisdiction, and the three (3) largest municipally-owned or operated electric utilities by customer count.

2. SB 69 directs the Commission to pay the costs of the study through assessments upon the utilities that are subject to the study, pursuant to K.S.A. 66-1502, regardless of whether the utilities are subject to the jurisdiction of the Commission.²

3. On August 20, 2019, the Commission issued an Order Opening General Investigation to: (1) track time assigned to the rate study; (2) issue assessments to all affected electric public utilities; and (3) to create a permanent repository for the rate study.³

¹ Substitute for S.B. 69 (2019).

² *Id.*, Sec. 5.

³ Order Opening General Investigation, Aug. 20, 2019, ¶ 11.

4. On August 20, 2019, the Commission issued an Order Assessing Costs, assessing the costs of the investigation to electric public utilities, electric cooperative public utilities exempt from Commission jurisdiction, and the three (3) largest municipally-owned or operated electric utilities by customer count.⁴

5. On September 9, 2019, Kansas Electric Cooperatives, Inc. (KEC) filed a Petition for Reconsideration of Order Assessing Costs, objecting to the assessment methodology in the Commission's Order Assessing Costs, which KEC alleges results in some cooperative revenues being assessed more than once.⁵ Specifically, KEC explains the majority of its members are also a member of either Kansas Electric Power Cooperative, Inc. (KEPCo) or Sunflower Electric Power Corporation (Sunflower).⁶ The costs incurred by generation and transmission (G&T) cooperatives are passed on to their members through rates.⁷ As a result, assessing both the G&T cooperatives and their individual members would assess KEPCo's and Sunflower's revenues twice.⁸ Therefore, KEC requests the Commission exclude any sales for resale to other utilities subject to this assessment from the assessment calculations.⁹

6. On September 9, 2019, KEPCo, Sunflower, and Mid-Kansas Electric Company, Inc. (Mid-Kansas) filed a Petition for Reconsideration of Order Assessing Costs, raising nearly identical concerns to those raised by KEC and seeking the same relief.¹⁰

7. On October 2, 2019, Commission Staff (Staff) filed its Response to the Petitions for Reconsideration of KEPCo and KEC and Request to File Out of Time, concurring that sales

⁴ Order Assessing Costs, Aug. 20, 2019, ¶ A.

⁵ Petition for Reconsideration of Order Assessing Costs (KEC PFR), Sept. 9, 2019, ¶ 6.

⁶ *Id.*, ¶ 2.

⁷ *Id.*, ¶ 10.

⁸ *Id.*

⁹ *Id.*, ¶ 12.

¹⁰ Petition for Reconsideration of Order Assessing Costs (KEPCo PFR), Sept. 9, 2019, ¶ 12.

for resale to an entity also receiving assessment costs in this Docket should be removed from the assessment calculation.¹¹

8. On October 8, 2019, the Commission issued an Order Granting Intervention to KEC, KMEA and KMU; Order Granting Petitions for Reconsideration, sharing Staff's, KEPCo's, and KEC's concerns that the Order Assessing Costs subjected entities to double assessments and granted the Petitions for Reconsideration and directed all parties on the service list to file an itemized list of sales for resale (by entity included in the assessment) to be reviewed by Staff to update the assessment percentages.¹²

9. On October 22, 2019, KEC filed its Response to Order Directing Submission of Itemized List of Sales for Resale Included in Gross Intrastate Operating Revenues. On November 13, 2019, Staff filed Notice of Filing of Staff's Updated Assessment Percentages. The Updated Assessment Percentages are attached as Attachment A.

10. Pursuant to K.S.A. 66-1502, which authorizes the Commission to assess the expenses of an investigation, opened on its own motion, against public utilities if the expenses reasonably attributable to such investigation exceed the sum of \$100, the Commission finds the costs of this proceeding should be assessed to Electric public utilities, electric cooperative public utilities exempt from Commission jurisdiction, and the three (3) largest municipally-owned or operated electric utilities by customer count based on the Updated Assessment Percentages listed in Attachment A. This Order constitutes notice of the assessment of costs and the assessment will begin three days after the date this Order is mailed.

¹¹ Staff's Response to the Petitions for Reconsideration of KEPCo and KEC and Request to File Out of Time, Oct. 2, 2019, ¶ 16.

¹² Order Granting Intervention to KEC, KMEA and KMU; Order Granting Petitions for Reconsideration, Oct. 8, 2019, ¶ 13.

THEREFORE, THE COMMISSION ORDERS:

A. Electric public utilities, electric cooperative public utilities exempt from Commission jurisdiction, and the three (3) largest municipally-owned or operated electric utilities by customer count are assessed the costs of this investigation based on the Updated Assessment Percentages, included in Attachment A.

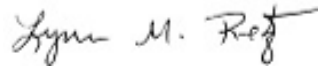
B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹³

C. The Commission retains jurisdiction over the subject matter and the parties to enter further orders as it deems necessary.

BY THE COMMISSION, IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 11/26/2019



Lynn M. Retz
Executive Director

BGF

¹³ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

Substitute for Senate Bill No. 69
List of Electric Utilities included in Rate Study

Utility	Assessable Revenues CY 2018	Assessable Limit (.6%)	Prorata %
<i>IOUs:</i>			
Empire	24,822,989	148937.9314	0.58%
KCP&L	813,726,341	4882358.046	19.04%
Westar	1,968,312,081	11809872.49	46.06%
		0	0.00%
<i>Cooperatives:</i>			
Alfalfa	2,770,085	16,621	0.06%
Ark Valley	14,018,697	84,112	0.33%
Bluestem	17,183,730	103,102	0.40%
Brown-Atchison	7,014,419	42,087	0.16%
Butler	18,971,675	113,830	0.44%
Caney Valley	9,495,711	56,974	0.22%
CMS	24,938,127	149,629	0.58%
Doniphan	3,428,785	20,573	0.08%
DS&O	20,322,452	121,935	0.48%
Flint Hills	12,406,739	74,440	0.29%
FreeState	43,128,176	258,769	1.01%
Heartland	25,170,183	151,021	0.59%
KAMO	0	0	0.00%
KEPCo	3,569	21	0.00%
Lane-Scott	17,802,551	106,815	0.42%
Lyon-Coffey	15,832,218	94,993	0.37%
Midwest Energy	166,857,962	1,001,148	3.90%
MKEC	62,595,731	375,574	1.46%
Nemaha-Marshall	6,748,358	40,490	0.16%
Ninnescah	12,534,044	75,204	0.29%
Pioneer Electric	76,769,594	460,618	1.80%
Prairie Land	71,013,966	426,084	1.66%
Radiant	9,915,297	59,492	0.23%
Rolling Hills	27,062,506	162,375	0.63%
Sedgwick County	18,048,655	108,292	0.42%
Southern Pioneer	78,193,841	469,163	1.83%
Sumner-Cowley	12,398,801	74,393	0.29%
Sunflower	32,073,526	192,441	0.75%
Tri-County	90,313,066	541,878	2.11%
Twin Valley	6,412,332	38,474	0.15%
Victory	72,917,377	437,504	1.71%

Western	38,853,543	233,121	0.91%
Wheatland	97,458,002	584,748	2.28%
<i>Municipalities:</i>			
KCBPU	304,219,485	1,825,317	7.12%
Garden City	32,549,850	195,299	0.76%
Gardner	17,534,000	105,204	0.41%
<i>Total Revenues</i>	4,273,818,463		

CERTIFICATE OF SERVICE

20-GIME-068-GIE

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

electronic service on 11/26/2019.

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CERTIFICATE OF SERVICE

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/S/ DeeAnn Shupe

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