

HOUSE BILL No. 2926

By Committee on Utilities

2-14

9 AN ACT concerning electric transmission facilities; providing for the cre-
10 ation of an independent transmission company in this state.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section:

14 (1) "Appurtenances" means all substations, towers, poles and other
15 structures and equipment necessary for the bulk transfer of electricity.

16 (2) "Commission" means the state corporation commission.

17 (3) "Electric transmission line" means any line or extension of a line
18 with an operating voltage of 34.5 kilovolts or more which is at least five
19 miles in length and which is used for the bulk transfer of electricity.

20 (4) "Transmission facilities" means electric transmission lines and
21 appurtenances.

22 (b) Not later than August 1, 2006, the commission shall issue a re-
23 quest for proposals for an independent transmission company to manage
24 and operate all transmission facilities in this state. The request for pro-
25 posal shall require that, to be selected to operate the independent trans-
26 mission company, a person or entity at a minimum must:

27 (1) Demonstrate financial and management ability to manage and
28 operate all transmission facilities in this state;

29 (2) demonstrate ability to interact with and participate in proceedings
30 involving the southwest power pool, the federal energy regulatory com-
31 mission, electric transmission interests outside this state, the Kansas leg-
32 islature and the commission;

33 (3) demonstrate ability to provide the authorized rate of return to
34 electric transmission line owners who place transmission facilities in a
35 trust;

36 (4) demonstrate ability to determine the need for and location of new
37 transmission facilities coordinate and schedule transmission service; and

38 (5) demonstrate ability to serve the transmission requirements of re-
39 newable energy, fossil fuel and nuclear power generators.

40 (c) Not later than December 31, 2006, the commission shall select
41 the winning proposal for an independent transmission company to man-
42 age and operate all transmission facilities in this state.

43 (d) On the earliest possible date, as determined by the commission,

1 all operators of transmission facilities in this state shall transfer opera-
2 tional control of such transmission facilities to the independent transmis-
3 sion company and shall sell them to the independent transmission com-
4 pany selected by the commission or place them in a trust under which
5 the trustee has full discretion over the transmission facilities.

6 (e) The independent transmission company shall:

7 (1) Solicit load and demand forecasts from all generators located
8 within the area served by the company;

9 (2) have authority to disapprove proposed sites for new generation
10 facilities when determined necessary to maximize benefits to all Kansas
11 consumers through cost-effective use of transmission lines;

12 (3) brief the Kansas electric transmission authority each year on op-
13 erations and plans of the company;

14 (4) implement, not later than January 1, 2012, a postage stamp system
15 of fees providing a single charge for access to transmission facilities op-
16 erated by the company; and

17 (5) perform such other duties and functions as necessary to operate
18 and maintain all transmission facilities in this state.

19 (f) An operator of transmission facilities outside this state may par-
20 ticipate in the independent transmission company created pursuant to
21 this section upon a determination by the commission that the operator's
22 participation will benefit Kansas consumers.

23 Sec. 2. This act shall take effect and be in force from and after its
24 publication in the Kansas register.