

## HOUSE BILL No. 2025

By Committee on Energy and Utilities

1-15

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

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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 115 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 September 1, 2009, the commission shall issue a  
23 request for proposals for an independent transmission company to man-  
24 age and operate all transmission facilities in this state. The request for  
25 proposals shall require that, to be selected to operate the independent  
26 transmission 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 Kansas electric transmission au-  
31 thority, the federal energy regulatory commission, electric transmission  
32 interests outside this state, the Kansas legislature 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;

38 (5) demonstrate ability to coordinate and schedule transmission serv-  
39 ice; and

40 (6) demonstrate ability to serve the transmission requirements of re-  
41 newable energy, fossil fuel and nuclear power generators.

42 (c) Not later than March 1, 2010, the commission shall select the  
43 winning proposal for an independent transmission company to manage

1 and operate all transmission facilities in this state.

2 (d) On the earliest possible date, as determined by the commission,  
3 all operators of transmission facilities in this state shall transfer opera-  
4 tional control of such transmission facilities to the independent transmis-  
5 sion company. Transmission line owners may sell them to the independ-  
6 ent transmission company selected by the commission or place them in  
7 a trust under which the trustee has full discretion over the transmission  
8 facilities.

9 (e) If no acceptable bid is received and accepted by September 1,  
10 2010, the commission may reissue a request for proposals for an inde-  
11 pendent transmission company according to subsections (b)(1) through  
12 (b)(6).

13 (f) The independent transmission company shall:

14 (1) Compensate owners of transmission lines placed in trust on the  
15 basis of the criteria approved by the commission;

16 (2) solicit load and demand forecasts from all generators located  
17 within the area served by the company;

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

20 (4) implement, not later than January 1, 2011, a postage stamp system  
21 of fees providing a single charge for access to transmission facilities op-  
22 erated by the company; and

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

25 (g) An operator of transmission facilities outside this state may partic-  
26 ipate in the independent transmission company created pursuant to  
27 this section upon a determination by the commission that the operator is  
28 regulated by the federal energy regulatory commission and such opera-  
29 tor's participation will benefit Kansas consumers.

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