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Proponent Testimony/Oral

Senate Committee on Utilities

SB 68

An Act concerning electric transmission lines; relating to construction and ownership of certain electric transmission lines; providing incumbent electric transmission owners a right of first refusal.

**Whitney Damron
On behalf of
Liberty Utilities**

February 6, 2023

Good afternoon, Chairman Olson, and Members of the Senate Committee on Utilities.

I am Whitney Damron and I appear before you today on behalf of Liberty Utilities in support of SB 68 that would provide an incumbent electric provider the right of first refusal to construct and operate an electric transmission line in its service territory.

Liberty Central Region serves approximately 180,000 customers in a six-state area composed of Kansas, Missouri, Arkansas, Iowa, Illinois, and Oklahoma with approximately 10,000 customers located in the southeast corner of Kansas. Liberty serves over 1 million customers in North America, Bermuda, and Chile.

A public utility enters into a social contract with the customers they serve – they agree to provide service to each and every customer, big or small, urban, or rural, residential, industrial, or commercial and for accepting that obligation, the utility is given the opportunity to earn a regulated rate of return set through a ratemaking process at the State Corporation Commission generated by the sum of its parts - generation, transmission, and distribution.

Liberty would propose it is appropriate and beneficial to the customers it serves for a regulated electric public utility with this obligation to serve to be the known entity that is responsible for keeping the lights on from generation to transmission to delivery. Dissecting the company into pieces necessarily leads to a breakdown in responsibility for the delivery of service to the end user in times of crisis or economic opportunity.

Liberty would ask the Committee to consider the following points when you take up SB 68 for action:

- The State and electric customers should know exactly who is responsible for the delivery of electricity with no room for finger pointing to separate corporate entities that take pieces of electric service away from the incumbent provider.
- Customers do not make a distinction between who owns the power lines, generation, and a residential, commercial, or industrial hook-up when paying a utility bill or soliciting service from their electric provider. They simply think of their “electric company.”
- Incumbent electric providers have a vested interest in serving their customers and maintaining good relations with regulatory authorities.
- ROFR minimizes landowner impacts by co-locating of lines on existing easements and rights-of-way.
- A public utility that owns all pieces of the product – generation, transmission, and distribution is better positioned to deal with outages and coordinate construction, maintenance, and operation with the various regulatory bodies.
- Savings to the end user electric customer have by and large come from changes to generation (e.g., cost-competitive renewables) rather than transmission projects.
- Kansas oftentimes has challenging weather conditions that require attention and service to electric transmission lines in rapid order – ice storms, tornadoes and more. Liberty believes its customers are best served with their electric provider being responsible for addressing these kinds of challenges rather than an out-of-state, profit-driven, nonutility transmission operator that does not have local and regional ties to the communities they serve.
- A public utility engages in scheduled reviews of its obligation to serve its customers through an Integrated Resource Planning process that looks decades into the future. Financial considerations, including infrastructure investment, load requirements, debt service, employee needs and more are a part of this process. A utility knowing it will have the opportunity to control and manage all aspects of electric service would be of great importance to this planning process.
- Liberty doesn’t see separating the electric delivery stream into individual components as beneficial to the customer and believe its customers would have the same opinion.

For reasons stated in our testimony and those advanced by the supporters of this legislation, Liberty would ask the Committee to give favorable consideration to SB 68. Thank you for your consideration of our position. I would be available to respond to questions at the appropriate time.