

HOUSE BILL No. 2086

By Committee on Energy and Utilities

1-17

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 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, 2007, 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) A Kansas utility may respond to the request for proposal under
41 subsection (b) so long as such utility provides to the commission infor-
42 mation detailing how such utility will restructure their transmission op-
43 erations to meet the requirements of this section.

- 1 (d) Not later than December 31, 2007, the commission shall select
2 the winning proposal for an independent transmission company to man-
3 age and operate all transmission facilities in this state.
- 4 (e) On the earliest possible date, as determined by the commission,
5 all operators of transmission facilities in this state shall transfer opera-
6 tional control of such transmission facilities to the independent transmis-
7 sion company and shall either sell them to the independent transmission
8 company selected by the commission at a fair market value price approved
9 by the commission or place them in a trust under which the trustee has
10 full discretion over the transmission facilities and the utility receives its
11 commission approved rate-of-return on investment.
- 12 (f) The independent transmission company shall:
- 13 (1) Brief the Kansas electric transmission authority each year on op-
14 erations and plans of the company; and
- 15 (2) perform such other duties and functions as necessary to operate,
16 expand and maintain all transmission facilities in this state.
- 17 (g) An operator of transmission facilities outside this state may par-
18 ticipate in the independent transmission company created pursuant to
19 this section upon a determination by the commission that the operator's
20 participation will benefit Kansas consumers.
- 21 Sec. 2. This act shall take effect and be in force from and after its
22 publication in the Kansas register.