

SESSION OF 2005

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2407**

As Amended by House Committee on  
Utilities

**Brief\***

The bill would enact a new statute authorizing the Kansas Corporation Commission's representative to any regional transmission organization to participate fully in the decision making activities of that organization under certain circumstances. The Commission's representative could participate only in those regional transmission organizations recognized by the Federal Energy Regulatory Commission (FERC) and to which one or more Kansas electric public utilities belongs.

The bill would provide that authorization to participate fully in regional transmission organizations would neither limit the Commission's regulatory jurisdiction nor its authority to appeal decisions of a regional transmission organization. The authority provided by the bill also would not relieve the Commission of its obligation or authority to ensure electric public utilities provide efficient and sufficient service.

The bill would become effective upon publication in the *Kansas Register*.

**Background**

The bill was introduced by the House Committee on Utilities at the request of Representative Sloan. Proponents of the bill who presented testimony at the House Committee's hearing included Representative Sloan and representatives of the Corporation Commission and of Kansas City Power and Light Co. No testimony in opposition to the bill was presented at the House Committee's hearing. Both Representative

---

\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Sloan and the representative of the Corporation Commission suggested amendments to the bill.

The House Committee amended the bill to:

- Clarify that the Commission may participate in all regional transmission organizations that have member utilities in Kansas;
- Authorize the Commission, not the Governor, to designate the state's representative to such an organization, as is current practice; and
- Specify that participation in a regional transmission authority would not limit the Commission's jurisdiction or other authority.

In 2002, FERC adopted regulations under the Federal Power Act to encourage public utilities that own, operate, or control interstate electricity transmission facilities to form and participate in regional transmission organizations (RTO). The Commission's goal, as stated in its regulations, is to promote efficiency in wholesale electricity markets and to ensure that electricity consumers pay the lowest price possible for reliable service. Many electric utilities in Kansas belong to the Southwest Power Pool (SPP) which also has members serving parts of Oklahoma, Texas, Arkansas, New Mexico, Missouri, and Louisiana.

The Kansas Corporation Commission participates in the SPP's Regional State Committee (RSC). The SPP Regional State Committee provides collective state regulatory agency input on matters of regional importance related to the development and operation of bulk electric transmission. The SPP RSC is comprised of retail regulatory commissioners from agencies in Arkansas, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.

The fiscal note prepared by the Division of the Budget on the introduced version of the bill states that enactment would have no fiscal impact. The House Committee's amendment would not materially change the Division's assessment of potential fiscal impact.