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**BEFORE THE SENATE UTILITIES COMMITTEE
PRESENTATION OF THE
KANSAS CORPORATION COMMISSION
March 15, 2005
HB 2407**

Thank you, Chairman and members of the Committee. I am Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission. I appreciate the opportunity to be here today to testify for the Commission on HB 2407.

This bill would grant a Kansas representative, as designated by the Governor, the authority to fully participate in decision-making bodies of regional transmission organizations, whether the decisions made by these bodies are advisory or binding.

The Commission supports this legislation as amended by the House.

Regional transmission organizations, or RTOs, have traditionally established a role for state regulators to advise the RTO board. The Midwest Independent System Operator, or MISO, for example, has established a regional state committee, which provides input to MISO board discussions and decisions. The Federal Energy Regulatory Commission, or FERC, has indicated over the past several years that it is willing to consider RTO Regional State Committee decisions with deference and is increasingly looking to these regional bodies for advice and assistance in addressing important regional transmission decisions. When the Southwest Power Pool, or SPP, established its RTO, the SPP bylaws granted the Regional State Committee, or RSC, an increased role in the SPP decision-making process. Nonetheless, it is not clear that the

individual members of the SPP RSC have been granted the authority necessary to take full advantage of the role granted to it by SPP.

The SPP RSC consists of one regulatory commissioner from each state in the SPP region. However, it is not clear that each state has granted the necessary authority to RSC members to allow their full participation. While there is little concern when the RSC is providing advice, or when the RSC reaches unanimous decisions, it is not clear that state utility regulatory commissioners have the authority to participate in a regional organization where a majority vote could create a binding decision for the organization. This bill would address this and clarify the Kansas Corporation Commission's ability to fully participate in the SPP RSC, or any similar organizations.