

MINUTES

KANSAS ELECTRIC TRANSMISSION AUTHORITY

November 4, 2009
Room 545-N—Statehouse

Members Present

Representative Carl Holmes, Chairperson
Earnie Lehman, Vice-chairperson
Tim McKee, Secretary
Senator Pat Apple
Les Evans
Representative Annie Kuether
Senator Janis Lee

Staff Present

Mary Galligan, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Rebecca Wempe, Stevens & Brand, L.L.P.

Chairperson Holmes called the meeting to order at 10:00 a.m. *Mr. Lehman made a motion to approve the agenda, which was seconded by Mr. McKee. The motion carried.*

The Chairperson recognized Mary Galligan, Kansas Legislative Research Department, who presented the September expense report (Attachment 1).

Board members will attend the National Regulatory Research Institute (NRRI) seminar, which KETA is co-sponsoring, on December 17-18. A meeting of the KETA Board will follow, beginning at noon Friday, with lunch to be delivered. The meeting will address regular business as well as issues to be taken up in executive session.

Chairman Holmes recognized Katherine Prewitt, Southwest Power Pool (SPP), who described additional steps that will be taken before decisions are made on priority projects. According to Ms. Prewitt, the SPP Board directed staff to conduct more analysis, with oversight from several committees, and to aim for a January presentation of the results. The Strategic Planning Committee (SPC) will give staff more direction regarding the models and assumptions to be used, staff will verify the accuracy of the data that was provided, the just-released recommendations of the Economic Studies Working Group may provide more direction, and additional value metrics may be developed. Ms. Prewitt will ensure SPP decisionmakers are aware that Kansas has a Renewable Portfolio Standard (RPS) which cannot be met without more transmission.

Chairperson Holmes discussed the SPP meeting he attended in Tulsa. At that meeting, the Regional State Committee (RSC) made the following recommendations regarding cost allocation: cost for projects less than 100kV would be allocated zonally; cost for projects 100-300 kV would be allocated 2/3 zonally and 1/3 across the SPP; cost for projects above 300 kV would be distributed entirely across the SPP. Ms. Prewitt agreed, but said the Cost Allocation Working Group is still working on cost allocation for future projects. Once their recommendations are finalized, the tariff will be revised and submitted to the Federal Energy Regulatory Committee (FERC), possibly in April.

Mr. Evans noted that some of the hesitancy expressed in Tulsa about including the V-Plan in the priority projects was a reluctance to include *any* 765kV projects at this time; in addition, some parties questioned the validity of the modeling, specifically the input data and the assumptions.

Chairperson Holmes suggested the Board go into executive session. *Mr. Lehman made, and Senator Lee seconded, the motion set out below. The motion passed.*

Mr. Chairman,

I move to recess the meeting until 11:30 a.m. for an executive session as authorized by subsections (b)(1) and (b)(3) of K.S.A. 74-99d04, to discuss and possibly take action on proprietary information gathered from third parties pursuant to a promise of confidentiality and information related to transmission capacity or availability which is not otherwise available to all electric energy market participants. Such information concerns the Wichita-Comanche-Woodward-Spearville transmission project known as the V-Plan. In the opinion of the Board, disclosure of such information would be harmful to the competitive position of third parties. In addition to Board members, the executive meeting requires the attendance of Rebecca Wempe, Stevens & Brand, L.L.P.; Mary Galligan and Cindy Lash, Kansas Legislative Research Department; and Melissa Doebelin, Office of Revisor of Statutes. The meeting will resume in 545-N at 11:30 a.m..

At 11:30 a.m., the meeting returned to open session.

The Board discussed upcoming meetings. The next meeting will be at 3:00 p.m. on November 12. As noted earlier, the Board will attend the NRRRI Seminar on December 17-18, with a KETA meeting to begin at noon on December 18. Board members will attend the meeting of the SPP Regional State Committee and Board of Directors Members Committee in New Orleans on January 25-26, 2010. Staff will check into availability of a State plane. The KETA Board would fly out early the morning of January 25 and return the evening of January 26. Representatives of the Department of Commerce and the State Energy Office also may attend.

The Chairperson took up consideration of revisions to the bylaws concerning emergency meetings. The proposed revision is found in Article IV, Section 4, and would require that during emergency special meetings, discussion shall be limited to the purpose or purposes specified in the notice of meeting. *Senator Apple made a motion that the proposed change to the bylaws be adopted. The motion was seconded by Representative Kuether. The motion carried (Attachment 2).*

The Chairperson directed the Board's attention to the 2010 Business Plan Outline drafted by Mr. Lehman, who noted it has three main tenets: it expresses support for the V-Plan remaining as a priority project, it encourages evaluation of the options available to KETA to assist in financing

transmission, and it supports development of a transmission collector system concept. Changes and additions to the outline will be finalized at the Board's November 12 meeting ([Attachment 3](#)).

The Board recognized Mary Galligan, Kansas Legislative Research Department, for her dedicated service to KETA, and presented her a retirement gift.

The Board adjourned for lunch at noon and returned at 1:30 p.m.

The Chairperson recognized Tom Stuchlik, Westar Energy, who provided an update on the company's transmission projects. He reported that the line from Reno to Summit is expected to be done in November 2010, about six months behind schedule. The company currently is acquiring right-of-way for the Rose Hill to Sooner line, which is expected to go into service in December 2012.

Carl Huslig, ITC Great Plains, described progress on the KETA project. They are targeting the end of 2011 for completion of Phase I. Public hearings for Phase 2 of the project, which will run from Hays to Axtell, NE, are scheduled for November 30 in Plainville and December 1 in Smith Center. Nebraska has been experiencing curtailments, and has begun to move more quickly on its portion of Phase 2 of the project. There are more environmental concerns with Phase 2 than with Phase 1, involving the Prairie Chicken and the Whooping Crane corridor.

Sunflower Electric Power Corporation and Mid-Kansas Electric Company, L.L.C. provided a written report updating the Board on their transmission projects ([Attachment 4](#)).

The Chairperson recognized Rebecca Wempe for an update on the Kansas Corporation Commission (KCC) dockets. She indicated the Kansas Department of Wildlife and Parks submitted a letter of comment to the KCC asking to be involved in the siting process to encourage avoidance of the habitats of the Prairie Chicken and the Whooping Crane. In addition, on October 5 the KCC issued an order approving the stipulation between Prairie Wind and ITC Great Plains, and denying CURB's objection.

The Chairperson asked Representative Kuether, Mr. Lehman, and Senator Lee to prepare a draft letter to the Governor requesting additional involvement from the Governor's Office, as well as from KETA, to strengthen Kansas' position with the SPP regarding the V-Plan. A separate letter will be developed for legislative leadership. The letters will be considered at the November 12 meeting.

The Chairperson directed the Board's attention to the KETA Draft Annual Report. The draft will be considered in December ([Attachment 5](#)).

The Chairperson adjourned the meeting at 2:45 p.m.

Other materials provided to the members of the Board before the meeting and in their meeting folders included the following:

- KETA's FY2011 budget request to Governor Parkinson ([Attachment 6](#));
- October 19, 2009 letter from Bruce Rew, SPP, announcing staff recommendations regarding priority projects ([Attachment 7](#));
- October 21, 2009 letter from KETA to SPP Chairman Eckelberger and President Brown regarding the staff recommendations released October 19 ([Attachment 8](#));

- October 22, 2009 letter from ITC Great Plains to the SPP Board of Directors and RSC Members regarding the staff recommendations released October 19 (Attachment 9);
- October 27, 2009 press release from the SPP regarding further study of potential priority projects (Attachment 10); and
- November through February calendars of SPP meetings (Attachment 11).

Respectfully submitted,

Tim McKee, Secretary

Approved by the Board on:

December 18, 2009

(Date)