Corporation Commission

Senate Utilities Committee

I. KCC Involvement in Southwest Power Pool
II. Transmission Line Siting

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February 3, 2015
I. KCC Involvement in SPP
Statutory Authority to Participate

- K.S.A 74-633 - Authority to assign KCC representatives to Regional Transmission Organization
- K.S.A 66-106 – Authority to enter into Interregional Agreements RTO
State Regulatory Participation

• Regional State Committee (RSC)
  – Cost allocation for transmission upgrades
  – Regional resource adequacy
  – Allocation of firm transmission rights in SPP’s markets

• RSC Member States
  Kansas  Oklahoma
  Texas  Nebraska
  Missouri  New Mexico
  Arkansas  Louisiana (monitors)
KCC Representatives

Shari Albrecht  
KCC Chair  
Member – SPP Regional State Committee

Andy Fry  
Energy Engineer  
Member – SPP Cost Allocation Working Group

Tom DeBaun  
Sr. Energy Engineer

John Bell  
Sr. Managing Auditor

Sam Feather  
Litigation Counsel

Andrew French  
Litigation Counsel
## SPP By the Numbers

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>43</td>
<td>80</td>
</tr>
<tr>
<td>Employees</td>
<td>131</td>
<td>570</td>
</tr>
<tr>
<td>Trans. Projects Planned/Built ($)</td>
<td>$0.552 B</td>
<td>$8.000 B</td>
</tr>
<tr>
<td>Coincident Peak Demand</td>
<td>38,767 MW</td>
<td>46,300 MW</td>
</tr>
<tr>
<td>Wind Capacity (MW)</td>
<td>1,014 MW</td>
<td>9,000 MW</td>
</tr>
</tbody>
</table>
KCC Watching Where the Money Goes

- New transmission projects
- Integrated Marketplace
- Cost allocation –
  - Original Base Plan Funding
  - Balanced Portfolio
  - Highway/Byway
- Regional Cost Allocation Review & Ratepayer Impacts
- FERC Order 1000
- Economic Studies/Metrics
Regional and Zonal Cost Allocation

Regional (Highway) costs are allocated to the zones based on each zone’s Load Ratio Share.

Zonal (Byway) costs are directly assigned to zones.

<table>
<thead>
<tr>
<th>Voltage</th>
<th>Regional</th>
<th>Zonal</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 kV and above</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>100 kV - 299 kV</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>Below 100 kV</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Transmission Investment in SPP

SPP Base Plan Funded Transmission Investment by Year
Does Not Include IS Upgrades
Includes HPILS Upgrades
July, 2014

$2,191
$1,856
$922
$609
$827
$988
$133
$264
$212
$-
$-
Annual Revenue Requirements

Zonal and Regional Allocation Split
July, 2014

SPP ATRR by Year ($ Millions)

- BPZ
- BPR

Year
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023

Zonal

$1,000
$800
$600
$400
$200
$-

Regional

$1,200
$1,000
$800
$600
$400
$200
$-

Note: The chart shows the annual revenue requirements for BPZ and BPR from 2014 to 2023, with a focus on the split between zonal and regional allocations.
# Load Ratio Share (LRS)

<table>
<thead>
<tr>
<th>Zone Description</th>
<th>SPP LRS</th>
<th>% KS</th>
<th>SPP LRS to KS</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power</td>
<td>22.60%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Oklahoma Gas and Electric</td>
<td>14.38%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Westar Energy</td>
<td>11.55%</td>
<td>100%</td>
<td>11.55%</td>
</tr>
<tr>
<td>Southwestern Public Service Company</td>
<td>12.79%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Kansas City Power &amp; Light</td>
<td>7.96%</td>
<td>45%</td>
<td>3.58%</td>
</tr>
<tr>
<td>Nebraska Public Power District</td>
<td>6.60%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Omaha Public Power District</td>
<td>5.11%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>KCPL&amp;L Greater Missouri Operations Company</td>
<td>4.24%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Western Farmers Electric Cooperative</td>
<td>3.18%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Empire District Energy Company</td>
<td>2.64%</td>
<td>5%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Grand River Dam Authority</td>
<td>1.99%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Lincoln Electric System</td>
<td>2.07%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>City Utilities of Springfield</td>
<td>1.51%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Mid-Kansas Electric Company</td>
<td>1.42%</td>
<td>100%</td>
<td>1.42%</td>
</tr>
<tr>
<td>Sunflower Electric Power Corporation</td>
<td>1.09%</td>
<td>100%</td>
<td>1.09%</td>
</tr>
<tr>
<td>Midwest Energy</td>
<td>0.85%</td>
<td>100%</td>
<td>0.85%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18.63%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Where Are We Headed?
Region-Wide
Annual Transmission Revenue Requirements (ATRR)
(In $ millions)
A look at generation “resources”...
Generation Mix – SPP Region

[Bar chart showing generation mix across different months with categories such as Other, Gas-SC, Gas-CU, Coal, Hydro, Renewable, Wind, and Nuclear.]
Fuel Mix – February 2, 2015

System Load
26,734 MW

GENERATION MIX for 02/01 at 17:15 (Central Time)

- Coal: 48.8939%
- Gas: 14.5402%
- Nuclear: 9.1435%
- Diesel Fuel Oil: 0%
- Wind: 27.015%
- Solar: 0.0239%
- Waste Disposal: 0.0304%

System Load
26,734 MW
This chart displays the actual MW output amounts during the top 3% of load hours during 2014 for the SPP Consolidated Balancing Authority.

2014 System Peak Load 46,300 MW
II. Transmission Line Siting
Statutory Requirements

- Only transmission lines 230 kV and over
- Reasonableness of the proposed route
- Necessity of the project
- Economic benefits within and outside Kansas
- Public hearing
- KCC Order within 120 days from Siting Application
# 120-Day KCC Siting Application Schedule

<table>
<thead>
<tr>
<th>Subject</th>
<th>Location</th>
<th>Date</th>
<th>Statutory Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westar Public Info Meeting</td>
<td>Halstead</td>
<td>Mon 10/30/2006 1:00 AM</td>
<td>1</td>
</tr>
<tr>
<td>Westar - KCC staff meeting</td>
<td>KCC, 2fl Conf</td>
<td>Tue 11/21/2006 9:00 AM</td>
<td>7</td>
</tr>
<tr>
<td>Westar Public Info Meeting</td>
<td>Gypsum, KS</td>
<td>Tue 12/5/2006 5:00 PM</td>
<td>17</td>
</tr>
<tr>
<td>Westar - KCC staff meeting</td>
<td>2fl Conf.</td>
<td>Thu 12/7/2006 10:30 AM</td>
<td>60</td>
</tr>
<tr>
<td><strong>07-715 Westar - Siting Application</strong></td>
<td>KCC</td>
<td>Thu 1/16/2007</td>
<td>1</td>
</tr>
<tr>
<td>Send staff data requests</td>
<td>KCC</td>
<td>Thu 1/21/2007</td>
<td>7</td>
</tr>
<tr>
<td>Westar siting 07-715 Org. meeting</td>
<td>KCC</td>
<td>Mon 1/22/2007 1:30 PM</td>
<td>17</td>
</tr>
<tr>
<td>Westar responses to staff data requests due</td>
<td>KCC</td>
<td>Tue 2/1/2007</td>
<td></td>
</tr>
<tr>
<td>Meeting with land owner - special request</td>
<td>Burrrton</td>
<td>Thu 2/10/2007</td>
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<tr>
<td>Route Survey by Staff</td>
<td>Wichita-Hutch-Salina</td>
<td>Mon 2/19/2007 12:00 AM</td>
<td></td>
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<tr>
<td>Meeting with land owner - special request</td>
<td>Bentley, KS</td>
<td>Mon 2/19/2007 11:00 AM</td>
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<tr>
<td>Westar Route Changes</td>
<td>KCC</td>
<td>Fri 2/23/2007 10:30 AM</td>
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<tr>
<td><strong>07-715 Staff Testimony WSEE Xmission</strong></td>
<td>KCC</td>
<td>Thu 3/15/2007 12:00 AM</td>
<td>60</td>
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<tr>
<td>Harvey County Resolution 2007-13</td>
<td>Harvey Co.</td>
<td>Thu 3/19/2007</td>
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<tr>
<td><strong>07-715 Public Hearing</strong></td>
<td>McPherson</td>
<td>Tue 3/27/2007 7:00 PM</td>
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<tr>
<td>Westar Reply</td>
<td>KCC</td>
<td>Mon 4/2/2007 12:00 AM</td>
<td></td>
</tr>
<tr>
<td>Discovery Ends</td>
<td>KCC</td>
<td>Mon 4/9/2007 12:00 AM</td>
<td></td>
</tr>
<tr>
<td>Staff Mtg</td>
<td>KCC</td>
<td>Mon 4/9/2007 9:30 AM</td>
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<tr>
<td><strong>07-715 Prehearing Conference WSEE</strong></td>
<td>KCC</td>
<td>Tue 4/10/2007 9:00 AM</td>
<td>83</td>
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<tr>
<td>Westar Public Meeting 07-715</td>
<td>Mentor, KS</td>
<td>Tue 4/10/2007 5:00 PM</td>
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<tr>
<td>Westar Response Due</td>
<td>KCC</td>
<td>Fri 4/13/2007 12:00 AM</td>
<td></td>
</tr>
<tr>
<td><strong>07-715 Technical Hrg. WSEE Xmission</strong></td>
<td>1st Fl Hearing Rm</td>
<td>Tue 4/17/2007 9:00 AM</td>
<td>90</td>
</tr>
<tr>
<td>Funding review - Wichita to Reno to Summit Meeting</td>
<td>2nd floor conf room</td>
<td>Fri 4/20/2007 1:00 PM</td>
<td></td>
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<td><strong>07-715 Direct Briefs WSEE Xmission</strong></td>
<td>KCC</td>
<td>Tue 4/24/2007 12:00 AM</td>
<td></td>
</tr>
<tr>
<td><strong>07-715 Comm Order, WSEE Xmission</strong></td>
<td>KCC</td>
<td>Wed 5/16/2007 12:00 AM</td>
<td>120</td>
</tr>
</tbody>
</table>
Transmission Line Siting Statutes

- 66-1,177 Definitions
- 66-1,178 Hearings and Final Order deadlines
  - Notice of Public Hearing to landowners within 660 feet of the centerline of the proposed route
  - Public Hearing in the first 90 days in one of the counties that the proposed route traverses
  - Evidentiary Hearing is optional
  - Final Order within 120 days
- 66-1,179 Notice of Public Hearing
  - One each week for two weeks prior to the hearing, the last publication at least 5 days prior to the hearing, in each county included in the proposed route
  - Written notice via certified mail to each landowner at least 20 days prior to the public hearing
  - Commission may order the applicant to make such publications
- 66-1,180 Commission Responsibility
  - Commission to determine reasonableness and necessity of the route.
  - Review economic benefit within Kansas & outside Kansas
Questions?