

**Testimony before the Senate Utilities Committee
House Bill No. 2263**

**Presented by Lois Liehti
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Kansas City Power & Light Company sincerely appreciates the efforts of this bill to foster development of the transmission system. We believe HB 2263 correctly recognizes that expansion of the nation's transmission system has not kept pace with the development of regional electricity markets and it attempts to create one additional mechanism for getting transmission built.

KCPL would like to address two areas of the bill. One purpose of the bill is to "facilitate the consumption of Kansas energy through improvements in the state's electric transmission infrastructure" (Section 1(b)). There are undoubtedly many potential transmission projects that would meet this purpose, but could do so at a cost that exceeded the benefits to the state's electric consumers.

As such, KCP&L requests that the bill include an additional limitation on what projects could be built through this mechanism. Possible language would include:

"The authority shall exercise the rights and powers granted to it in this act only with respect to transmission facilities that have been demonstrated to provide a net benefit to Kansas electric consumers. Such net benefits shall be verified by the state corporation commission"

This would help ensure that uneconomic transmission projects do not get built.

The types of projects that may be built as a result of this bill could be owned by existing utilities. Historically, regional-type projects have not been built due to the uncertainty of cost recovery. To the extent that the state would guarantee cost recovery, existing utilities could be used to build and own these projects, eliminating the need for the state to own

transmission. A provision for existing utilities to build and own these transmission projects, but funded through the authority's cost recovery mechanisms could be added.

Thank you for your time. I would be happy to answer any questions that you have at the appropriate time.

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