



**Testimony Submitted by Earnie Lehman to the  
Senate Utilities Committee  
In Support of HB 2306**

March 14, 2007

Mr. Chairman and members of the Committee, I am Earnie Lehman, appearing before you today on behalf of the Kansas Electric Transmission Authority (KETA). I serve as KETA's Vice Chairperson and am one of three gubernatorial appointees. I urge your support for HB 2306. I would characterize HB 2306 as a technical correction of our enabling legislation, HB 2263 passed by the Legislature and signed by the Governor in 2005. It will streamline KETA's ability to operate while preserving the right of other entities to preemptively build and/or finance transmission facilities KETA would otherwise build and/or finance.

KETA has been fully operational since the beginning of 2006. As described in our first Annual Report, we have largely completed our fact-finding and have spurred the first significant transmission

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construction in Kansas in many years. Now, as we begin to take steps that may ultimately lead to our first construction project, it appears that our powers to perform the most routine acts, such as employing consultants, buying or leasing office equipment and setting up a bank account, could in theory be preempted by “private entities” who would enter into the contracts themselves. While this is nonsensical, it seems possible under a literal reading of HB 2263.

This is why HB 2306 is before you today. As you can see in the redlined version, Articles 9 and 16 of Section 1 are moved to a new Section 2, along with the Section 1 provisions that define a private entity’s preemptive rights and related KETA notice and oversight provisions. The current Section 1, Article 9 speaks to transmission facilities and Article 16 speaks to partnering with other entities in connection with such facilities. These transferred articles are the heart of KETA’s responsibility, the purpose for which we were created.

In contrast, preserving preemptive rights for private parties in the ancillary things KETA must do to analyze and prepare to build

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facilities, and in the conduct of our daily affairs, makes no sense. It will impede our ability to fulfill our statutory purpose “to further insure reliable operation of the integrated electrical transmission system, diversify and expand the Kansas economy and facilitate the consumption of Kansas energy through improvements in the state’s electric transmission infrastructure.”

I urge your support for HB 2306. Mr. Chairman, I will stand for questions at the appropriate time.

Thank you.