

Citizens' Utility Ratepayer Board

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HOUSE UTILITIES COMMITTEE H.B. 2436

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
January 19, 2012

Chairman Holmes and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2436. This bill amends K.S.A. 66-131 to impose a 180 day time limit for the Kansas Corporation Commission to act on applications for certificates of public convenience.

The Citizens' Utility Ratepayer Board is opposed to this bill. A 180 day time limit is arbitrary and may defeat the Commission's public interest obligations. CURB believes the Commission should seek the "right" answer, not the "quick" answer, when deciding which companies are allowed to take on the obligations and enjoy the benefits of being a regulated public utility in Kansas. There is no evidence that the current process is inadequate to address the needs of companies seeking to be public utilities in Kansas. There is no evidence that the Commission has spent an inordinate amount of time on any given application.

Two recent cases, an application filed by ITC Great Plains and an application filed by Grain Belt Express Clean Line, offer examples of why an arbitrary timeline is a poor idea. Both of these companies brought new business models to the state, seeking to be transmission only public utilities. Neither had a certificated territory or assets in the state. Both asked the Commission to waive certain portions of its legal authority as set forth in Kansas Statutes. Both would be subject to rate regulation by the Federal Energy Regulatory Commission. Both would interact with the Southwest Power Pool, with one assessing its costs through Southwest Power Pool to Kansas utilities. Both would cross the territories of existing Kansas utilities and interconnect with the transmission systems of those utilities. Both would have eminent domain authority to take land from Kansas land owners.

Given the complexity of the issues that may be presented when a company applies to be a Kansas public utility, it is important that the Commission retain the ability to take the time to make a reasoned decision that protects the Commission's authority to regulate and the protects public interest. CURB recommend the Commission not adopt this arbitrary time limit.

If the Committee does decide to recommend approval on this arbitrary time limit, CURB recommends the Committee amend H.B. 2436 to include language that allows the applicant to waive the 180 day deadline. This type of waiver is included in K.S.A. 66-117, allowing a utility to waive the 240 day rate case deadline if additional time is necessary to process a case.