Citizens' Utility Ratepayer Board

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HOUSE UTILITIES COMMITTEE H.B. 2181

Testimony on Behalf of the Citizens' Utility Ratepayer Board By David Springe, Consumer Counsel February 17, 2011

Chairman Holmes and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2181. The Citizens' Utility Ratepayer Board is opposed to this bill for the following reasons:

H.B. 2181 will require an electric utility, prior to constructing any new high voltage electric transmission line (300 kilovolts or higher and at least 5 miles in length) more than five miles from a corporate city boundary to obtain a right of way easement of at least 200 feet in width for the entire length of the line. The cost incurred by the utility for purchasing this additional right-of-way shall be "deemed" prudent unless the costs are "manifestly and unquestionably unreasonable".

Since this bill applies to transmission lines built after January 1, 2014, the bill will apply only to brand new lines. The standard "over 300 kilovolt" is a 345 kilovolt line. The standard right-of-way easement for a 345 kilovolt line is 150 feet. An additional 50 feet of right-of-way is to small an area to build a second transmission line, so the additional 50 feet provides no actual gain in service for customers on a 345 kilovolt line.

In theory, a utility might be able to build a 765 kilovolt line in a 200 foot right-of-way corridor. However, building a 765 kilovolt line in the 200 foot right-of-way of an existing 345 kilovolt line will require removing the existing 345 kilovolt line. Under no circumstance can CURB think of a reason why a brand new 345 kilovolt line, built after 2014, would be torn down and completely replaced with a 765 kilovolt line. In fact, it is far more likely that if a 765 kilovolt line is proposed, it will be run in its own corridor, and be added to the existing 345 kilovolt system. Adding the additional 50 feet of right-of-way to a 345 kilovolt line corridor adds no value if your ultimate goal is to have a 765 kilovolt line.

This bill will increase the right-of-way costs of every 300 kilovolt and above transmission project built after January 1, 2014 and charged to customers but add no actual value for customer. By definition, adding costs without adding value is "manifestly and unquestionably unreasonable". By definition, adding the costs contemplated by this bill to all transmission projects would not be a prudent use of customer money. CURB recommends the committee not pass this bill.