

## MINUTES

### KANSAS ELECTRIC TRANSMISSION AUTHORITY

November 12, 2010  
Room 142-S—Statehouse

#### Members Present

Representative Carl Holmes, Chairperson  
Earnie Lehman, Vice-chairperson  
Tim McKee, Secretary (by telephone)  
Senator Pat Apple  
Senator Janis Lee  
Les Evans

#### Staff Present

Cindy Lash, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Rebecca Wempe, Stevens & Brand, L.L.P.

Chairperson Holmes called the meeting to order at 2:05 p.m. He proposed amending the agenda to include remarks by James Zakoura, the attorney representing Chermac Energy Corporation and by Mark Lawlor, Clean Line Energy Partners. *Mr. Lehman made a motion to accept the agenda as amended. Senator Lee seconded the motion. The motion carried.*

*The Chairperson asked for a motion to approve the minutes of October 27, 2010. Mr. McKee moved approval of the minutes. Mr. Evans seconded the motion. The motion carried.*

Chairperson Holmes recognized James Zakoura, Smithyman & Zakoura, who represents Chermac Energy. Mr. Zakoura expressed concern about the Southwest Power Pool's (SPP's) October 25 decision to move eastward, a planned 345 kV line running south from western Kansas to Woodward, Oklahoma, and the increased cost of that line from \$1.1 billion to \$1.5 billion. Mr. Zakoura is reviewing public records showing the history of the proposed line (Attachments 1, 2). He said the original route along Highway 183 is preferable because it is less costly, and there has been no independent scientific routing study to justify moving the line. He asked Kansas Electric Transmission Authority (KETA) to be a good steward of Kansas' money. Chairperson Holmes noted the Kansas Corporation Commission (KCC) has jurisdiction for siting the line, but expressed concern that a transmission line route would be moved to protect habitat of a bird that Kansas allows to be hunted.

The Chairperson asked for a motion to approve the proposed fee schedule for providing open records. *Senator Lee moved approval of the draft fee schedule. Mr. Lehman seconded the motion. The motion carried (Attachment 3).*

Board members discussed the groundbreaking in Hays for the KETA transmission project. It was well attended, and three Board members—Senator Lee, Mr. Lehman, and Representative Holmes—spoke at the groundbreaking, in addition to Governor Parkinson.

The Chairperson opened discussion of the proposed KETA transmission study. Mr. Evans reported the subcommittee has been in contact with SPP, which sent a letter describing how it would handle a transmission study request from KETA, as well as a sample Funding and Service Agreement (Attachment 4). *Mr. Evans made a motion that Ms. Wempe review the sample Funding and Services Agreement and make modifications as necessary, which might involve a conference call between Mr. Evans, Mr. Lehman, and Ms. Wempe. Mr. Lehman seconded the motion. The motion carried.*

Board members reviewed a draft letter from KETA to interested parties requesting a commitment to share in funding the proposed transmission study. The Chairperson directed staff to send the letter, with the study scope, to parties listed on the draft letter and to the full KETA notification list, and to post the letter and study scope on the KETA website (Attachment 5).

The Chairperson asked for a motion to go into executive session. *Mr. Lehman made, and Mr. Evans seconded, the motion below. The motion carried.*

*Mr. Chairman,*

*I move to recess the meeting until 2:45 p.m. for an executive meeting as authorized by subsection (b)(2) of KSA 75-4319, and amendments thereto, to consult with the Authority's attorney Rebecca Wempe regarding legal bidding and contracting requirements related to a possible contract between KETA and SPP, which consultation would be deemed privileged in the attorney-client relationship. In addition to Authority members, the executive meeting requires the attendance of Rebecca Wempe, Stevens & Brand, L.L.P.; Cindy Lash, Legislative Research Department; and Heather O'Hara, Legislative Research Department. The meeting will resume in Room 142-S at 2:45 p.m.*

The open meeting resumed at 2:45 p.m.

The Chairperson asked for discussion of the proposed study scope. Members suggested the scope be amended to clarify that the routes proposed were approximate routes, to add flexibility to the locations studied. *Mr. Lehman moved adoption of the study scope as amended. Senator Lee seconded the motion. The motion carried. Senator Apple made a motion to reconsider the previous action. Mr. Lehman seconded the motion. The motion carried. Mr. Lehman made a motion to adopt the study scope as previously amended and as further amended to delete benefits 2 and 5. Senator Lee seconded the motion. The motion carried (Attachment 6).*

The Chairperson asked for a motion on the draft request for a prior authorization to enter into a sole source contract with the Southwest Power Pool in the amount of \$50,000. *Mr. Evans moved that KETA submit the request with amended language to the Department of Administration, Division of Purchases, for approval. Senator Lee seconded the motion. The motion carried (Attachment 7).*

The Chairperson reported that he, Mr. McKee, and Mr. Lehman will attend the SPP meeting in Dallas on December 15th.

The Chairperson recognized Mark Lawlor, Clean Line Energy Producers. Mr. Lawlor presented a draft Memorandum of Understanding (MOU) between Grain Belt Express Clean Line LLC and KETA for support of the proposed Grain Belt Express high-voltage direct current transmission line. In response to questions, Mr. Lawlor said Clean Line LLC is not seeking a financial obligation from KETA, would welcome modifications to the draft MOU, and believes a MOU between Clean Line LLC and KETA would provide an indication that Clean Line LLC is working with approved bodies. The Chairperson asked Ms. Wempe to review the draft MOU, then discuss her recommendations with Mr. Evans and Mr. McKee. The Board will consider the draft MOU at a future meeting (Attachment 8).

The date of the next meeting was not set. The Chairperson noted the Board would have a conference call in December.

The Chairperson adjourned the meeting at 4:15 p.m.

Respectfully submitted,  
Tim McKee, Secretary

Additional materials provided in Board members' folders included:

- Budget request letters sent to Governor Parkinson and Governor-elect Brownback (Attachment 9);
- A color copy of the Economic Outlook handout discussed at the October 27 meeting (Attachment 10);
- Maps presented by ITC at the October 27 meeting (Attachment 11); and
- Draft legislation on private activity bonds discussed at the October 27th meeting (Attachment 12).

Approved by the Board on:

December 27, 2010  
(date)