Kansas Corporation Commission
Commission Meeting
November 29, 2022
10:00 a.m., KCC Offices
1500 SW Arrowhead Rd., Topeka, Kansas

MINUTES

The Commission convened the regularly scheduled open meeting of the Commission at 10:00 a.m. on November 29, 2022, at the Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas.

Present: Chair Keen, Commissioner Duffy and Commissioner French. The following were considered by the Commission:

1. Consent Agenda: Commissioner French moved for approval of the Items on the Consent Agenda dated November 29, 2022, containing pages one through three attached to these Minutes. Commissioner Duffy seconded the motion.

   The motion was approved.

2. Discussion Item: Shari Feist Albrecht, KCC SPP Workgroup Consultant, presented an update to the Commission on Southwest Power Pool activities. The presentation is attached to these minutes.

There being no further matters before the Commission, Commissioner French moved for adjournment of the Commission meeting. Commissioner Duffy seconded the motion. The Commission adjourned the November 29, 2022 Commission Meeting at 11:23 a.m.

Respectfully submitted,

Lynn M. Retz, Executive Director

Dwight D. Keen, Chair

Susan K. Duffy, Commissioner

Andrew J. French, Commissioner

Kansas
Corporation Commission

ITEMS OF
Consent Agenda

Approval Date: Tuesday, November 29, 2022

NOTICE TO THE PUBLIC: There will be no separate discussion of Consent Agenda items as they are considered to be routine by the Kansas Corporation Commission. Unless removed from the website's Consent Agenda, the orders appearing on the Consent Agenda will become the Order of the full Commission at the Commission's regularly scheduled Business Meeting. If Commission staff or a Commissioner requests an item be removed from the Consent Agenda, the affected item may be considered seperately or placed on the earliest possible Business Meeting agenda for discussion.

Consent Agenda

ITEM NO.	DESCRIPTION	DOCKET NUMBER	REMOVED
1	In the Matter of Application of Southwestern Bell Telephone, L.P. for Approval of Interconnection Agreement Under the Telecommunications Act of 1996 with Xspedius Communications, LLC. ***Order Approving Amended Interconnection Agreement***	06-SWBT-234-IAT	
2	In the Matter of the Application of Southwestern Bell Telephone Company for Approval of Interconnection Agreement Under the Telecommunications Act of 1996 With Qwest Communications Company, LLC. ***Order Approving Interconnection Agreement Amendment***	10-SWBT-453-IAT	
3	In the Matter of the Application of Southwestern Bell Telephone Company for Approval of Interconnection Agreement Under the Telecommunications Act of 1996 With Big River Telephone Company, LLC. ***Order Approving Interconnection Agreement Amendment***	11-SWBT-076-IAT	
4	In the Matter of the Lifeline Re-Certification Filing Compliance as Required by Commission Order Dated March 4, 2013, in Docket No. 10-GIMT-658-GIT. ***Order Assessing Costs***	23-GIMT-457-CPL	

Consent Agenda

ITEM NO.	DESCRIPTION	DOCKET NUMBER	REMOVED
5	In the Matter of the Application of Freedom Pipeline LLC, for Approval of its Sales for Resale Customer Contracts. ***Order Designating Presiding Officer; Protective and Discovery Order***	23-FRPG-461-CON	
6	In the Matter of the Investigation of Flint Hills Stone Trucking LLC of Alma, Kansas, Regarding the Violation(s) of the Motor Carrier Safety Statutes, Rules and Regulations and the Commission's Authority to Impose Penalties, Sanctions and/or the Revocation of Motor Carrier Authority. ***Penalty Order***	23-TRAM-428-PEN	
7	In the Matter of the Investigation of Scott McDonald, d/b/a Corner Express, of Satanta, Kansas, Regarding the Violation(s) of the Motor Carrier Safety Statutes, Rules and Regulations and the Commission's Authority to Impose Penalties, Sanctions and/or the Revocation of Motor Carrier Authority. ***Penalty Order***	23-TRAM-429-PEN	
8	In the Matter of the Investigation of Wildcat Excavating LLC of Kincaid, Kansas, Regarding the Violation(s) of the Motor Carrier Safety Statutes, Rules and Regulations and the Commission's Authority to Impose Penalties, Sanctions and/or the Revocation of Motor Carrier Authority. ***Penalty Order***	23-TRAM-444-PEN	
9	Transportation orders to be approved by the Commission on the Consent Agenda. ***Transportation Economic Order***	23-TRAM-5036-TRA	

The above-captioned matter(s) were approved by the Commission, unless noted as removed.

For the Commission :

Dwight D. Keen, Chair

Susan K. Duffy, Commissioner

Andrew J. French, Commissioner

Attest:
Lynn M. Retz
Executive Director

Transportation Division
1500 SW Arrowhead Road
Topeka, KS 66604-4027

Kansas
Corporation Commission

Phone: 785-271-3145
Fax: 785-271-3124
http://kcc.ks.gov/

Dwight D. Keen, Chair
Susan K. Duffy, Commissioner
Andrew J. French, Commissioner

Laura Kelly, Governor

Transportation Orders By Docket Number
23-TRAM-5036-TRA

Order Number	Description	Removed
20221118124410	*In the Matter of the Application of TAR LLC of ELLINWOOD KS for a Private Carrier Permit.* USDOT #3983015 TAR LLC of ELLINWOOD KS - Order Granting Application for a Private Carrier Permit	
20221121083841	*In the Matter of the Application of OUTLAW TANK SERVICE INC of ELLINWOOD KS for the Abandonment of Certificate of Public Service.* USDOT #1589350 OUTLAW TANK SERVICE INC of ELLINWOOD KS - Order Granting Request for Abandonment for Certificate of Public Service	
20221122110045	*In the Matter of the Application of ORBIL EMMANUEL MARTINEZ of GARDEN CITY KS for Authority for a Certificate of Public Service.* USDOT #3875574 ORBIL EMMANUEL MARTINEZ of GARDEN CITY KS - Order Granting Application for Certificate of Public Service	
20221122114246	*In the Matter of the Application of RAM TRANSPORT LLC of HUTCHINSON KS for the Abandonment of Certificate of Public Service.* USDOT #3738873 RAM TRANSPORT LLC of HUTCHINSON KS - Order Granting Request for Abandonment for Certificate of Public Service	
20221122153002	*In the Matter of the Emergency Suspension of Authority of HEGER AG SERVICES LLC of HUGOTON KS for Failure to Maintain Insurance Coverage as Required by the Motor Carrier Safety Statutes, Rules and Regulations.* USDOT #3781006 HEGER AG SERVICES LLC of HUGOTON KS - Emergency Order Suspending Authority	
20221122153002	*In the Matter of the Emergency Suspension of Authority of LINC STONE of TONGANOXIE KS for Failure to Maintain Insurance Coverage as Required by the Motor Carrier Safety Statutes, Rules and Regulations.* USDOT #507803 LINC STONE of TONGANOXIE KS - Emergency Order Suspending Authority	
20221123084323	*In the Matter of the Emergency Suspension of Authority of B & C AUTO REPAIR of RUSSELL KS for the Failure to Maintain Insurance Coverage as Required by Motor Carrier Safety Statutes, Rules and Regulations.* USDOT #955834 B & C AUTO REPAIR of RUSSELL KS - Order Rescinding Emergency Order Suspending Authority for Failure to Maintain Insurance Coverage	

Total # of Orders: 7

SPP Quarterly Update

KCC Open Meeting

November 29, 2022

Kansas Corporation Commission

Quarterly SPP Meetings

- **October 24, 2022**: Regional State Committee Meetings
  - Educational Session
  - Business Meeting
- **October 25, 2022**:
  - Joint Stakeholder Meeting
  - SPP BOD/Members Committee Meeting

RSC Business Meeting

Voting Items

- 2021 RSC Audit
- Election of 2023 Officers
- RR497 Business Practice 7060
- Resource Adequacy Policies
  - RR499 – Planning Criteria Testing Requirements
  - RR508 - Deliverable Capacity for Winter Season
  - RR516 – Planning Reserve Margin Increase
  - RR515 – Waiver Process

RSC Business Meeting

Reports

- Cost Allocation Work Group
- RCAR III
- SLC Rate Pancaking

Resource Adequacy Policies

RR499 Planning Criteria Testing Requirements

- Revises SPP Planning Criteria to update 16-year-old capacity testing requirements;
- Adds new terminology and definitions, new capability testing requirements, new operational testing requirements, out of season capability testing, how to handle capability and operational testing for new or upgraded units, and accreditation for thermal and hydro units.
- Approved unanimously.

Resource Adequacy Policies

RR508 Deliverable Capacity for Winter Season

- Revises Att. AA of the SPP tariff, which currently allows Load Responsible Entities (LREs) to use deliverable capacity, as determined by a deliverability study, to meet the Planning Reserve Margin (PRM) for only the summer season resource adequacy requirement;
- Extends the use of deliverable capacity to the winter season resource adequacy obligation.
- Approved unanimously.

Resource Adequacy Policies

RR516 Planning Reserve Margin Increase

- Revises SPP Planning Criteria to increase the PRM from 12% to 15% beginning with the 2023 summer season;
- Implements the policy decision approved by the RSC and SPP Board of Directors in July 2022, based on the results of the 2021 Loss of Load Expectation Study.
- Approved unanimously.

Resource Adequacy Policies

RR515 Deficiency Payment Waiver

- Revises Att. AA of the SPP tariff to provide a process for seeking a waiver for those LREs who may not have sufficient capacity to meet the 15% PRM for the 2023 summer season;
- Establishes a resource adequacy capacity bulletin board for posting requests to buy and offers to sell capacity;
- Establishes a one-time waiver of the deficiency payment for up to two years for LREs meeting the eligibility criteria;

Resource Adequacy Policies

RR515 Deficiency Payment Waiver (continued)

- Requires standard contract terms, including product, price cap and/or floor for bulletin board to ensure transparency, feasibility, and objectivity;
- Conditions waiver so that LREs only qualify if adequate capacity is not available on bulletin board, and only on the portion of the deficiency that could not be reasonably covered; LREs must have a plan for curing deficiency;
- Updates deadlines to allow more time to cure a deficiency and request an exemption;

Resource Adequacy Policies

RR515 Deficiency Payment Waiver (continued)

- After considering alternative waiver proposals from the Supply Adequacy Working Group (as approved by the Markets and Operations Policy Committee), the Cost Allocation Working Group, the SPP Market Monitoring Unit, the Kansas RSC member, and the Texas RSC member, a majority of the RSC approved the MMU's proposal with a couple of edits to strike the final sentence of 6(c) and "quarterly" from 6(e).
- Three RSC members opposed: Kansas; Oklahoma; and Texas.

Regional Allocation Review Task Force (RARTF)

- Reviews the Highway/Byway methodology and allocation factors at least every six years;
- Authorizes the RSC to recommend adjustments to cost allocations if a review shows an imbalanced cost allocation to one or more zones;
- Requires the Markets and Operations Policy Committee (MOPC) and RSC to define the analytical methods to be used during review; and
- Beginning in 2015, enables member companies that believe they have been allocated an imbalanced portion of costs to seek relief from the MOPC.

Regional Allocation Review Task Force

- The RCAR III study has been completed and took the operations-based study approach of using the daily market runs from the Integrated Marketplace and then removing the selected Highway/Byway transmission upgrades in a subsequent run to capture the value that the removed transmission provided to the SPP region.
- The RSC reviewed the results of the RCAR III study, which shows significant benefit to cost results for the SPP region and all SPP pricing zones.
- Stakeholders have expressed some concern that remote resources mapped to ownership zone could over/under estimate benefits associated with these resources and entities on eastern seams believe impacts of Market-to-Market flowgates could be significant and are not captured in the study.
- The RCAR III report remains open for comment as RARTF continues to work with stakeholders. A Lessons Learned report is expected mid-2023.

Seams Liaison Committee

Rate Pancaking Work Group Recommendations:

1. Request RTOs to develop solutions for the comparable treatment of unreserved use charges for transmission configuration changes and emergency ties on the seam between the RTOs.

2. Gain a better understanding from the RTOs and stakeholders of the inability to obtain congestion hedges for the procurement of firm transmission.

3. Investigate how transmission rate pancaking could be eliminated or reduced for long-term contracts, i.e., long-term interregional rate.

4. Investigate how interregional projects could cause unintended rate pancaking issues, i.e., impacts on flows and corresponding charges.

Joint Stakeholder Briefing

- Federal Energy Regulatory Commission (FERC)
- Integrated Marketplace & Western Operations
- Holistic Integrated Tariff Team (HITT M1)
- Winter Weather Event Report Update
- Joint Targeted Interconnection Queue Update
- 2022 ITP Assessment
- MMU Presentation

SPP Board of Directors and Members Committee Meeting

- The BOD/Members Committee approved:
- The 2023 SPP Operating and Capital Budget, including total expenses of $245.6 million, a Net Revenue Requirement of $184.5 million, and a Capital Budget resulting in a $16.0 million allocation.
- The 2022 ITP and the associated ITP assessment report documenting completion of the ITP planning process.
- Authorized the filing of RR515 as modified and approved by the SPP RSC consistent with the RSC's authority under Section 7.2 of the SPP Bylaws.

SPP Board of Directors and Members Committee Meeting

- The BOD/Members Committee also approved the following Consent Agenda items:
- Corporate Governance Committee nominations for SPP Board directors and for various committees;
- NTC withdrawals, modifications, cost increases, suspension, etc; and
- Several revision requests, including RR514, 508, 516, 499, 512, 520.

FERC Update

HITT C2-Cost Allocation Waiver

- On May 10, 2022, SPP filed the second request to revise its Open Access Transmission Tariff (OATT) to include the proposed waiver process, FERC Docket ER22-1846.
- Subject to a compliance filing to address concerns raised in FERC's deficiency letter, FERC approved the HITT C2 waiver filing on October 28, 2022, with FERC Commissioners Christie and Danly dissenting.
- SPP made the required compliance filing on November 16, 2022.

FERC Update

Order 2222

- Issued in September 2020, Order 2222 allows Distributed Energy Resources (DERs) to be aggregated to participate directly in RTO/ISO markets and to establish DER aggregators as a type of market participant.
- SPP made its compliance filing April 28, 2022 (ER22-1697).
- SPP's compliance filing makes revisions to various tariff provisions necessary to comply with the requirements of Order 2222.
- FERC issued a deficiency letter to SPP on August 12, 2022, raising a number of issues and requesting further explanation from SPP. SPP filed its response on October 12, 2022.

FERC Update

SPP Bylaws Revision for RSC Membership

- On November 1, FERC issued an order accepting SPP's revision to Section 7.2 of the SPP Bylaws to state that only state utility commissions and boards within the SPP RTO footprint are eligible for membership on the RSC.
- As a result, the condition to the RSC's approval to modify RSC Bylaws (Article II) on April 25, 2022 has been met.
- SPP has posted the modified RSC Bylaws, effective November 1, 2022, on the RSC website.

HITT M1 Congestion Hedging

- Approved by HITT and SPP BOD in 2019, HITT M1 recommended "SPP should continue with a market mechanism to hedge load against congestion charges. The existing market design should include modifications to implement counter-flow optimization that is limited to excess auction revenues…"
- In April, the SPP BOD adopted a proposal to initiate a multi-step process to be led by SPP Staff to facilitate a resolution by year-end. The process includes seeking proposals from stakeholders for resolving the congestion hedging issue and continuing to coordinate a resolution with CAWG and RSC.

HITT M1 Congestion Hedging

- SPP staff has come forward with a long-term transmission congestion rights (LTCR) proposal to increase equity and fairness in the awards process, to increase awards, and to take a hybrid approach that aligns transmission and market models.
- The proposal is undergoing education and review in various working groups with continued work on the details of the proposal.
- SPP staff has targeted the January 2023 quarterly meetings for action on the proposal.

HITT M1 Congestion Hedging

- SPP staff recommends:
  - Re-set LTCR awards every 10 years to give more opportunities to all participants to receive LTCR awards;
  - Modify the LTCR Round 2 nomination capacity from 100% to an incremental percentage up to 100% to more equitably award LTCRs in the Annual process;
  - Modify the nomination capacity calculation for Round 1 of the Annual Auction Revenue Rights (ARR) process for a more equitable allocation of ARRs;
  - Modify the ARR Round 1 nomination capacity from 50% to an incremental percentage up to 50% to more equitably award ARRs in the Annual process; and
  - Distribution of Excess Auction Revenues.

IRATF/Winter Weather Update

- To date, IRATF has completed 10 of 25 initiatives, with half of the initiatives to be completed by the end of 2022.
- Since the last quarterly update, IRATF has approved:
  - Annual SPP evaluation of resource availability;
  - Capacity offered into the market by accredited resources;
  - Reporting accredited behind-the-market generation;
  - Generation retirement evaluation and process improvement;
  - Compensation mechanism to address generator retirements .
- IRATF is continuing its work on gas-electric coordination and working on several initiatives related to the LOLE study process, including fuel supply limitations, seasonal LOLE studies, and the seasonal characteristics of outages.

JTIQ Update

- As part of the JTIQ study, SPP and MISO have identified 5 interconnection projects along their seam having a total cost of $1,060,700,000.
- SPP and MISO are proposing the following cost-sharing arrangement:
  - Cost-sharing between generators (90%) and load (10%);
  - Cost-sharing between SPP and MISO loads, about $71 million and $29 million, respectively (based on the proportion of total Adjusted Production Cost benefits for each RTO); and
  - Region-wide cost allocation of the SPP load portion (as proposed by SPP staff and subject to RSC approval).

Questions?

Shari Feist Albrecht
SPP Workgroup Consultant

Kansas
Corporation Commission