

In the Matter of the Joint Application of Invenergy)
Transmission LLC, Invenergy Investment Company LLC,)
Clean Line Energy Partners LLC, Grain Belt Express Clean)
Line LLC and Grain Belt Express Holding LLC for an Order)
Approving the Acquisition by Invenergy Transmission LLC)
of Grain Belt Express Clean Line LLC)

Docket No.
19-GBEE-253-ACQ

STAFF DIRECT TESTIMONY

PREPARED BY

LEO M. HAYNOS

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

PUBLIC VERSION

March 26, 2019

Direct Testimony of Leo M. Haynos
Docket No. 19-GBEE-253-ACQ

1 **Q. Would you please state your name and business address?**

2 **A.** My name is Leo M. Haynos. My business address is 1500 Southwest Arrowhead Road,
3 Topeka Kansas, 66604.

4 **Q. By whom and in what capacity are you employed?**

5 **A.** I am employed by the Kansas Corporation Commission (Commission), Utilities Division
6 as the Chief Engineer.

7 **Q. Please state your educational and employment background.**

8 **A.** I received a Bachelor of Science Degree in Petroleum Engineering from New Mexico
9 Institute of Mining and Technology, Socorro, New Mexico. I have worked in various
10 capacities as an engineer for the past 37 years, primarily in positions related to the oil and
11 gas industry. I am licensed as a professional engineer in the State of Kansas. For the past
12 20 years, I have worked for the Kansas Corporation Commission where I have been
13 responsible for several functions including managing the pipeline safety program and the
14 administration and enforcement of the underground utility damage prevention program.
15 Prior to working for the Commission, I worked three years as an engineer for the Kansas
16 Department of Health and Environment Bureau of Air and Radiation and 13 years with
17 Atlantic Richfield Corporation.

18 **SUMMARY OF TESTIMONY**

19 **Q. What is the purpose of your testimony?**

20 **A.** My testimony reviews the history of the GBE Project, its current status, and the prospects
21 for completion of the project. I also recommend conditions for approval of the
22 acquisition for the Commission's consideration.

23

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1 **Q. What conditions do you recommend the Commission require if the proposed merger**
2 **is approved?**

3 A. If the Commission approves the Acquisition, I recommend the approval include the
4 following conditions:

5 1. Invenergy shall make preliminary easement payments to all Kansas landowners affected
6 by the line siting within 12 months of a decision to extend the line siting sunset provision
7 found in Docket 13-GBEE-803-MIS (13-803). If the sunset extension is not approved
8 and Invenergy requests approval of a new line siting route, Staff recommends the
9 Commission require Invenergy to make preliminary easement payments within 12
10 months of gaining approval for a new line siting.

11 2. When the GBE Project and/or AC Collector System become operational, Invenergy will
12 maintain sufficient personnel in the region of the facilities such that it can provide
13 adequate emergency response to any portion of its Kansas operations within one hour of
14 being notified of an emergency.

15 **Q. Does your testimony address any of the merger standards?**

16 A. Indirectly, yes. With respect to the construction and operation of the proposed
17 transmission lines, my testimony addresses the following merger standards:

- 18 • (a)(iii): Whether ratepayer benefits from the transaction can be quantified;
19 • (c): Whether the proposed transaction will be beneficial... to communities in the area
20 served by the resulting public utility operations; and
21 • (h): What impact, if any, the transaction has on public safety.

22 **Q. How is your testimony arranged?**

23 A. My testimony is organized as follows:

24 I. Description GBE Kansas Assets Included in the Proposed Transaction.

- 1 II. Discussion of the Current Status of the Line Siting Docket.
- 2 III. Capabilities of Invenergy to operate the GBE Project and AC Collector System.
- 3 IV. Review of Applicable Merger/Acquisition Standards.
- 4 V. Summary.
- 5 VI. Recommendations.

6 **I. DESCRIPTION OF GBE KANSAS ASSETS INCLUDED IN THE**
7 **PROPOSED TRANSACTION**

8 **Q. Please describe the Application in this Docket.**

9 **A.**The Application lists a series of subsidiaries for both parties (the seller and buyer) as
10 Joint Applicants. The testimony of Staff witness Chad Unrein explains the various layers
11 of subsidiaries. For the purposes of my testimony, however, I would describe the
12 transaction as the buyer, Invenergy Transmission, LLC (Invenergy), wishes to acquire the
13 assets of the seller, Grain Belt Express Clean Line LLC (GBE). GBE is the owner of all
14 current assets and rights of the Grain Belt Express Clean Line Project (GBE Project)
15 which is a proposed 780-mile 600 kilovolt (kV) high voltage direct current (HVDC)
16 transmission line connecting western Kansas with south-central Indiana.

17 **Q. Has there been any construction completed on the GBE Project?**

18 **A.**No. The current status of the line can best be described as in a planning or conceptual
19 phase.

20 **Q. Please describe GBE’s public utility assets in Kansas.**

21 **A.**GBE’s public utility assets are described as follows:

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- 1 • A Transmission Rights Only (TRO) Certificate of Convenience and Necessity to
2 construct and operate a 369-mile¹ +600 kV HVDC transmission line, and associated
3 transmission facilities, running from near the Spearville 345 kV substation in Ford
4 County, Kansas, to the Missouri River south of Troy, Kansas, on the Missouri/Kansas
5 border;²
- 6 • A TRO Certificate of Convenience and Necessity to construct and operate an alternating
7 current (AC) transmission Collector System as needed to connect power from wind
8 generators in western Kansas and transfer it to the HVDC transmission line point of
9 beginning near Spearville, Kansas;³
- 10 • An approved siting path for the HVDC transmission line affecting 1163 Kansas land
11 tracts⁴; and
- 12 • An interconnection agreement with ITC Great Plains to provide 345kV power to the
13 HVDC converters to be constructed near Spearville.
- 14 **Q. Please describe the purpose of a TRO Certificate of Convenience.**
- 15 **A.** First, I would point to K.S.A. 66-131(a)⁵ which requires any entity seeking to construct
16 an electric transmission line to obtain a Certificate of Convenience and Necessity

¹ See Page 6-9, Kansas Route Selection Study attached to Direct Testimony of Timothy B. Gaul, Docket 13-GBEE-803-MIS.

² See Para. II-a, Attachment A, Order Approving Stipulation and Agreement and Granting Certificate, Docket 11-GBEE-624-COC.

³ Id. Para. II-b.

⁴ Response to Staff Data Request

⁵ 66-131. (a) No person or entity seeking to construct electric transmission lines as defined in K.S.A. 66-1,177, and amendments thereto, ... shall transact business in the state of Kansas until it shall have obtained a certificate from the corporation commission that public convenience and necessity will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state.

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1 (Certificate). The requirement for a TRO is found embedded in the Retail Electric
2 Suppliers Act (RESA) which states:

3 K.S.A. 66-1,173(a): Any retail electric supplier, with the approval of the commission,
4 may extend distribution or transmission facilities through the certified territory of another
5 retail electric supplier, if such extension is necessary for such supplier to connect with
6 any of its facilities or those of others to serve consumers within its own certified territory;
7

8 Although GBE has no Kansas retail customers or certified territory, the Commission
9 determined it should be considered a public utility for the purposes of constructing and
10 operating the 369-mile segment of the GBE Project through Kansas and for constructing
11 any amount of alternating current (AC) transmission lines (AC Collector System)
12 necessary to supply the GBE Project.

13 **Q. Did the Commission place any conditions on the TRO Certificates?**

14 **A.** Yes. In Docket 11-GBEE-624-COC (11-624), The Commission required GBE to not
15 recover any costs for the GBE Project or the AC Collector System from the Southwest
16 Power Pool (SPP) or Kansas ratepayers. However, the 11-624 Order allows GBE to
17 apply to amend its Certificate if it elects to change the cost recovery process.⁶ The 11-
18 624 Order also required GBE to follow the Kansas Transmission Line Siting Act and
19 Wire Stringing Rules for the GBE Project and the AC Collector System.

20 **Q. How extensive is the AC Collector System expected to be?**

21 **A.** From the 11-624 Docket, the TRO Certificate for the AC Collector system is limited to
22 western Kansas to be built to supply the GBE Project with necessary supply for
23 transmission. The actual extent of the AC Collector System is unknown at this time.

⁶ Id. Para. II-c.

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1 GBE estimates it will need to construct ** [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED] **. ⁷ To provide some context to the potential size of the collector system,
6 however, it should be noted the GBE Project will be capable of transmitting
7 approximately 4,000 MW of power. Currently, the total wind power capacity produced
8 in Kansas is estimated to be 5,060 MW. ⁸ Assuming the existing production already has
9 found a market, the GBE Project would almost double Kansas wind production, and the
10 AC Collector System may need to be sufficient to supply the Project.

11 **Q. What is the allocated Kansas investment that GBE has made in the project?**

12 **A.** GBE has invested a total of ** [REDACTED] ** ⁹ allocated to Kansas. That amount
13 includes [REDACTED]
14 [REDACTED] ** ¹⁰

15 **Q. What is the total investment made to date in the GBE Project?**

16 **A.** According to its 2018 4th Quarter Report filed with the Commission, GBE has spent
17 [REDACTED]
18 [REDACTED] ** ¹¹

19

⁷ Response to Staff Data Request 21.

⁸ AWEA Windfarm Map,

<http://gis.awea.org/arcgisportal/apps/webappviewer/index.html?id=eed1ec3b624742f8b18280e6aa73e8ec>

⁹ Response to Staff Data Request 18.

¹⁰ Response to Staff Data Request 3.

¹¹ Response to Staff Data Request 27.

1 **II. DISCUSSION OF CURRENT STATUS OF LINE SITING DOCKET**

2 **Q. Has the Commission approved the route of the Kansas portion of the GBE Project?**

3 **A.** Yes. In Docket 13-GBEE-803-MIS (13-803), the Commission approved the transmission
4 line route proposed by GBE with conditions. The 369-mile long and 175-foot wide route
5 will cross 1163 land tracts from roughly Spearville in southwest Kansas to Troy, Kansas
6 in the northeast corner of the state.

7 **Q. Did the Commission place any conditions on the line siting?**

8 **A.** Yes. The Order in the 13-803 Docket placed four conditions on the approval of the line
9 siting. They are:

- 10 1. The cost of the Project and any AC Collector System owned by Grain Belt Express
11 will not be recovered through the SPP cost allocation process or from Kansas ratepayers;
- 12 2. Prior to building the Kansas segment of the GBE Project, GBE must obtain state or
13 federal siting approvals required by law to begin construction in Missouri, Illinois, and
14 Indiana;
- 15 3. GBE must begin construction by December 2, 2019,¹² or re-apply for a siting permit;
16 and
- 17 4. GBE must continue providing quarterly project updates to the Commission until the
18 project has been completed or otherwise abandoned.

19

20

¹² See Docket 13-GBEE-806-MIS Order, December 6, 2018.

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1 **Q. Do you believe GBE will be able to meet the timing provisions listed in the 13-803**
2 **Docket?**

3 **A.** No. At this time, GBE has completed the line selection process in ** [REDACTED]
4 [REDACTED]

5 [REDACTED]**¹³ Because the conditions in the 13-803 Docket require line siting to be
6 complete in the other three states prior to starting construction in Kansas, I do not believe
7 it will be possible to meet the December 2019 sunset provision.

8 **Q. If GBE is unable to meet the sunset provision, what assets would still be available**
9 **for the proposed acquisition?**

10 **A.** The sunset provision only affects the route approval in the 13-803 Docket. If the line
11 siting sunsets, GBE's Kansas assets would be reduced to the TRO certificates for the
12 HVDC transmission line and the AC Collector System. If the siting sunsets, however, I
13 would expect GBE or its successor to immediately file to re-establish the previously
14 approved route.

15 **Q. Could the Commission extend or eliminate the sunset provision in the siting docket?**

16 **A.** Yes. In fact, Staff and GBE have filed a Joint Motion in the 13-803 Docket requesting
17 the Commission to consider another five year extension of the approved route in order to
18 give GBE an opportunity to obtain successful routing in Missouri, Illinois, and Indiana.¹⁴
19
20

¹³ Response to Staff Data Request 25.

¹⁴ September 6, 2018, Joint Motion of Grain Belt Express Clean Line LLC and Staff for Extension of Sunset Term, Docket 13-GBEE-803-MIS.

1 **Q. Is there any evidence that GBE will be successful in securing a route approval**
2 **across the remaining three states?**

3 **A.** In my opinion, there is a good possibility that GBE will be able to obtain line siting and
4 state regulatory approval in the three remaining states, but there is still significant
5 regulatory hurdles that must be completed. Currently, GBE has a Certificate of
6 Convenience to operate as a public utility only in Kansas and Indiana. Within the past
7 week, GBE received a favorable ruling from the Missouri Public Service Commission.
8 GBE's Application for a Certificate of Convenience was denied by the Illinois Commerce
9 Commission. In Illinois, GBE plans to meet the conditions listed in the Denial Order and
10 re-apply for an Illinois Certificate once the Certificate from Missouri is secure.
11 Assuming GBE will be successful in obtaining Certificates of Convenience in the other
12 states, I note that GBE has completed only **■■■■** easement agreements along the entire
13 route of the proposed line.¹⁵

14 **Q. Has GBE taken additional steps to secure easements from the Kansas landowners**
15 **affected by the approved route from the 13-803 Docket?**

16 **A.** Of the 1163 affected land tracts, GBE has made 582 written easement offers to Kansas
17 landowners but only secured signatures from 129. Because of the regulatory uncertainty
18 in other states, GBE stopped pursuing easement agreements in 2015 and eventually
19 released 122 of the signed agreements rather than pay the final balance due on the
20 easement agreements.¹⁶

21

¹⁵ Response to Staff Data Request 25.

¹⁶ Response to Staff Data Requests 3 and 4.

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1 **Q. What was the amount paid by GBE to initially secure the 129 easements?**

2 **A.** For a typical easement GBE paid initial payments of ** [REDACTED]
3 [REDACTED]
4 [REDACTED] **17

5 **Q. What impact has the delay in acquiring easements had on the affected Kansas**
6 **landowners?**

7 **A.** Because of the approved routing, I assume the landowners are aware the transmission line
8 will cross their property. But they have no indication of when or if it will occur, and they
9 have not been compensated for the easement across their property.

10 **Q. Would you expect the approved route to affect land values of the landowners?**

11 **A.** In my opinion, the impact on land values is unknown. However, I believe knowledge of
12 the pending transmission line easement would need to be revealed in any land sales
13 transactions, which may affect a potential buyer's decision to purchase.

14 **Q. Has GBE kept in contact with the landowners to keep them apprised of it plans**
15 **regarding the GBE Project?**

16 **A.** As per the conditions in the 13-803 Docket, GBE is required to file quarterly updates
17 with the Commission on it progress. However, all of those updates are filed
18 confidentially with Staff and not available to the public or interveners in the 13-803
19 Docket. In the past, GBE has sent newsletters to those that have requested to be on a list
20 to receive updates.¹⁸ However, GBE ** [REDACTED]

21 [REDACTED] **19

¹⁷ Response to Staff Data Request 30.

¹⁸ Response to Staff Data Request 3.

¹⁹ Response to Staff Data Request 20.

1 **III. CAPABILITY OF INVENERGY TO OPERATE THE GBE PROJECT AND**
2 **AC COLLECTOR SYSTEM**

3 **Q. What was the focus of your review of Invenegy’s ability to operate the proposed**
4 **GBE Project and associated AC Collector System?**

5 **A.** My limited review focused on Invenegy’s experience, expertise, and manpower
6 capabilities in operating electric transmission lines. The direct testimony of Staff witness
7 Chad Unrein reviews the financial capabilities of Invenegy to operate the proposed
8 assets.

9 **Q. What was the basis for your review of Invenegy’s operational capabilities?**

10 **A.** Primarily, I relied on the Application in this Docket and the direct testimony of the Joint
11 Applicant witness Kris Zadlo. I also conducted discovery to gauge the extent of
12 Invenegy’s United States operations.

13 **Q. Do you believe Invenegy has the ability to operate an electric transmission system**
14 **of magnitude?**

15 **A.** Yes. Based on the technical qualifications of the Invenegy technical management
16 presented in Mr. Zadlo’s testimony, Invenegy appears to have the expertise and
17 experience necessary to organize and implement a plan of this nature. Mr. Zadlo’s
18 testimony states the Company has nearly 900 employees²⁰ with a highly qualified
19 management team. In his testimony, Mr. Zadlo states, “Invenegy Services is staffed
20 with experienced industry personnel and currently operates 9,300 MW of natural gas and
21 renewable generating capacity in North America. Combining asset management,

²⁰ See line 15, page 6, Zadlo Direct Testimony.

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1 operations, maintenance, and commercial execution functions allows Invenergy Services
2 to provide a single, comprehensive solution to overall management of the asset”.²¹

3 **Q. Of the 900 employees, how many fill technical positions related to transmission**
4 **operations?**

5 **A.** Invenergy employs nine engineers and two engineering managers for purposes of
6 operating its 392 miles of transmission lines. The engineering teams are responsible for
7 such functions as repair coordination, outage support, NERC compliance, and control
8 system support.²²

9 **Q. Does Invenergy have experience in building and operating electric transmission**
10 **lines?**

11 **A.** Yes. Again, Mr Zadlo’s testimony states Invenergy has developed, permitted, and
12 constructed over 392 miles of transmission lines, 1,748 miles of distribution lines, and
13 132 substation or generator step-up stations.²³

14 **Q. Do you agree with Mr. Zadlo’s assessment of Invenergy’s capabilities?**

15 **A.** The management credentials presented by Mr. Zadlo are impressive. Regarding
16 transmission facilities, responses to Staff discovery requests indicate much of the actual
17 facilities design in the United States is performed by consulting firms. ** [REDACTED]

18 [REDACTED]

19 [REDACTED]

²¹ Page 7, lines 13-17, Zadlo Direct Testimony,

²² Response to Staff Data Request 17.

²³ Id. Page 8, lines3-7.

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1 [REDACTED]

2 [REDACTED] **24

3 **Q. Does Invenergy operate all of the above referenced transmission line projects?**

4 **A.** No. Invenergy operates ** [REDACTED]

5 [REDACTED] **25

6 **Q. Does Invenergy operate any transmission lines or generator tie-lines in Kansas?**

7 **A.** Yes. ** [REDACTED]

8 [REDACTED]

9 [REDACTED] **26

10 **Q. Does Invenergy employ any linemen or first responders to operate its transmission**
11 **or generator tie lines?**

12 **A.** No. ** [REDACTED] **, Invenergy relies on
13 contractors to perform this type of work.

14 **Q. Does Invenergy operate transmission lines that are required to comply with**
15 **National Electric Reliability Corporation (NERC) standards?**

16 **A.** Invenergy operates six facilities that are required to comply with NERC standard FAC-
17 003, which relates to vegetation management along transmission lines. As a best
18 practice, Invenergy uses the same annual maintenance requirements for all transmission
19 lines it operates.²⁷

20

²⁴ Response to Staff Data Request 1.

²⁵ Response to Staff Data Request 2.

²⁶ Response to Staff Data Requests 1 and 2.

²⁷ Response to Staff Data Request 15.

1 **IV REVIEW OF APPLICABLE MERGER/ACQUISITION STANDARDS**

2 **Q. Which merger/acquisition standards are you addressing?**

3 **A.** With respect to the operation of the proposed transmission lines, I am addressing the
4 following merger standards:

- 5 • (a)(iii): Whether ratepayer benefits from the transaction can be quantified;
- 6 • (c): Whether the proposed transaction will be beneficial... to communities in the area
7 served by the resulting public utility operations; and
- 8 • (h): What impact, if any, the transaction has on public safety.

9
10 **Q. Please address standard (a)(iii): whether ratepayer benefits from the transaction**
11 **can be quantified?**

12 **A.** Because approval of the GBE Project in Kansas is explicitly conditioned upon the Project
13 not having an impact on Kansas ratepayers or the SPP, this standard as applied to the
14 acquisition in the traditional sense, has no impact on Kansas ratepayers.

15 **Q. Do you have an alternative view of the applicability of this standard?**

16 **A.** Yes. In my opinion, the ratepayer affected by a typical acquisition of a public utility
17 represents the Kansas citizen that is directly impacted by the proposed merger or
18 acquisition. In the case of the proposed acquisition, the landowners affected by the GBE
19 Project and the AC Collector System represent the Kansas citizen directly impacted by
20 the acquisition. Therefore, I propose to consider the benefits of the transaction on the
21 affected landowners.

22 **Q. Can the benefit of the transaction on the affected landowners be quantified?**

23 **A.** The only benefit that can be attributed to the landowners affected by the approved route
24 of the GBE Project would be the certainty of the line's impact on their property and

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1 compensation for the line easements. In this case, certainty can be provided by the sunset
2 provision dismissing the approved route, or by GBE or its successor completing the
3 purchase of the necessary easements through Kansas.

4 **Q. Do you have any recommendations for the Commission regarding this acquisition**
5 **standard?**

6 **A.** Yes. If the Commission approves the acquisition and agrees to extend the sunset
7 provision in the 13-803 Docket, I recommend the Commission require Invenergy to make
8 preliminary payments or acquire the easements necessary to construct the Kansas portion
9 of the GBE project regardless of its success in resolving its regulatory issues in the other
10 affected states.

11 **Q. Has GBE provided this type of payment in the past?**

12 **A.** As noted earlier in my testimony, GBE has acquired easements from only seven of the
13 affected tracts of land. At one time it had 129 signed agreements but stopped actively
14 pursuing easements in 2015 and eventually released 122 of the easements.²⁸ The
15 payments for the released easements averaged ** [REDACTED]

16 [REDACTED] **²⁹

17 **Q. Do you expect the question of extending the sunset provision in the 13-803 Docket to**
18 **be decided as part of the current Application?**

19 **A.** No. It is my understanding the 13-803 Docket remains open and a decision by the
20 Commission will be necessary by December 2, 2019.

²⁸ Response to Staff Data Request 3.

²⁹ Response to Staff Data Request 30.

1 **Q. Please address merger/acquisition standard (c): Whether the proposed transaction**
2 **will be beneficial... to communities in the area served by the resulting public utility**
3 **operations.**

4 **A.** Because Invenergy brings the financial capability and operations expertise necessary to
5 construct and operate the GBE Project, I believe the propose acquisition meets this
6 standard. While I consider the Project to be in a conceptual phase of development, the
7 upside potential of the business plan expressed in the 11-624 and 13-803 Dockets still
8 exists. That is, the GBE project has the potential to move a significant amount of wind
9 generated energy from western Kansas if GBE is successful in getting commitments from
10 interested customers.

11 **Q. Please address merger/acquisition standard (h): What impact, if any, the**
12 **transaction has on public safety.**

13 **A.** As I noted earlier, Invenergy brings the financial backing and operations expertise to
14 construct and operate an electric transmission line. I note, however, Invenergy relies
15 heavily on contractors to perform routine work and emergency response functions for its
16 operations. I also note Invenergy does not appear to have any experience operating a
17 transmission line of this length or a 600kV HVDC line.

18 **Q. Are contractors able to perform all maintenance activities on a transmission line?**

19 **A.** With sufficient oversight, I believe professional electric contractors easily can perform
20 any work necessary on an electric transmission line. With respect to emergency response
21 functions, however, reliance on contractors may not be sufficient.

22

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1 **Q. What is your concern regarding the use of contractors to perform emergency**
2 **services for electric transmission lines?**

3 **A.** By definition, emergencies are unplanned events requiring immediate action. Unless the
4 contractor is on retainer, it may be unavailable because of other commitments. For
5 example, if a tornado damaged electric facilities over a large geographic area, there may
6 not be sufficient contractors to provide immediately necessary services. In that case, the
7 operator must be able to rely on its own personnel to provide public safety.

8 **Q. Do you have any recommendations for the Commission regarding this acquisition**
9 **standard?**

10 **A.** Yes. If the Commission approves the acquisition, I recommend the Commission require
11 Invenergy to maintain sufficient personnel in the region such that it can provide adequate
12 emergency response to any portion of its Kansas operations. In this case, I would define
13 adequate emergency response to include all response necessary to ensure public safety
14 within one hour of being notified of an emergency.

15 **Q. Are there any Kansas statutes that alleviate concerns about the use of contract**
16 **operations?**

17 **A.** To some extent, yes. K.S.A. 66-101h obligates the Commission to monitor an electric
18 public utility's equipment, conduct, and management with respect to public safety.
19 Because GBE or any successor company will be a public utility, the Commission would
20 have this oversight authority over the Company's operations. With that authority, any
21 corrective action the Commission deems necessary regarding construction, maintenance,
22 or emergency response activities can be accomplished through "show cause" proceedings.

23

1 **SUMMARY**

2 **Q. Please summarize your testimony.**

3 **A. The Joint Applicants, Invenergy and GBE, are requesting the Commission to approve the**
4 sale of GBE’s Kansas assets to Invenergy. In this case, the assets in question are all
5 regulatory instruments. The assets consist of a specific TRO Certificate for the 369-mile
6 GBE Project, a blanket TRO Certificate over western Kansas for an AC Collector
7 System, and an approved line siting for the GBE Project. At this time, the GBE Project
8 can be considered a business concept. In addition to actual facilities construction, the
9 GBE Project has several regulatory milestones in other states that must be accomplished,
10 as well as obtaining subscriptions from prospective customers before the Project can be
11 completed. Because of the remaining work to be done, actual construction of the project
12 may be years in the future. Although Invenergy relies heavily on contractors to build,
13 maintain, and operate its transmission lines, it appears to have the technical expertise to
14 construct and operate the proposed project.

15 **RECOMMENDATION**

16 **Q. Do you have a recommendation regarding the proposed acquisition?**

17 **A. I recommend the Commission approve the proposed acquisition with the following**
18 conditions:

- 19 1. Invenergy shall make preliminary easement payments of ** [REDACTED]
20 [REDACTED]** to all Kansas landowners affected by the line siting within 12 months of
21 a Commission decision to extend the 13-803 sunset provision. If the Commission elects
22 to not extend the sunset provision, Invenergy should be required to make preliminary

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1 easement payments to Kansas landowners within 12 months of gaining approval for a
2 new line siting.

3 2. When the GBE Project and/or AC Collector System become operational, Invenergy will
4 maintain sufficient personnel in the region of the facilities such that it can provide
5 adequate emergency response to any portion of its Kansas operations within one hour of
6 being notified of an emergency.

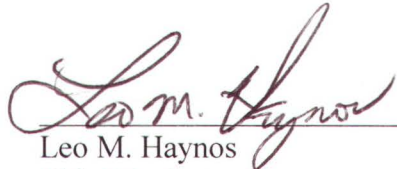
7 **Q. Does this conclude your testimony?**

8 **A. Yes.**

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

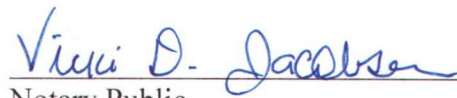
Leo M. Haynos, being duly sworn upon his oath deposes and states that he is the Pipeline Safety Chief Engineer for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Leo M. Haynos
Chief Engineer
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 26th day of March, 2019.





Notary Public

My Appointment Expires:

June 30, 2022

CERTIFICATE OF SERVICE

19-GBEE-253-ACQ

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony of Leo Haynos (Public Version) was served via electronic service this 26th day of March, 2019, to the following:

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