

In the Matter of the Joint Application of Invenergy)	
Transmission LLC, Invenergy Investment Company LLC,)	
Clean Line Energy Partners LLC, Grain Belt Express Clean)	Docket No.
Line LLC, and Grain Belt Express Holding LLC for an Order)	19-GBEE-253-ACQ
Approving the Acquisition by Invenergy Transmission LLC)	
of Grain Belt Express Clean Line LLC)	

STAFF TESTIMONY IN SUPPORT OF SETTLEMENT

PREPARED BY

LEO M. HAYNOS

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

PUBLIC VERSION

May 1, 2019

**Leo M. Haynos Testimony In Support of Settlement
Docket No. 19-GBEE-253-ACQ**

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

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

Q. Are you the same Leo M. Haynos who filed direct testimony in this docket on March 26, 2019?

A. Yes, I am.

Q. What is the purpose of your testimony?

A. My testimony supports the Joint Motion to Approve the Settlement Agreement
(Agreement) filed in this docket. I also provide a summary and discussion of Conditions
(e), (f), and (g) contained in the Agreement.

Q. Was the Agreement unanimous?

A. Yes. The parties that participated in this case consisted of Staff, the Joint Applicants, and
ITC Great Plains, LLC (ITC). Staff and the Joint Applicants are signatories to the
Agreement. Although ITC has not signed the Agreement, it has indicated it is not
opposed to the Agreement.

Q. What does the Agreement entail?

A. The Agreement supports the acquisition of the Kansas public utility assets of Grain Belt
Express Clean Line LLC (GBE) by Invenergy Transmission LLC (Invenergy). The
Agreement contains seven conditions that support the Kansas public interest in the GBE
Project.

Q. Please describe the Kansas public utility assets included in the Acquisition.

A. As stated in my Direct Testimony, I describe the GBE Kansas public utility assets 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 provide a discussion of the conditions contained in the Agreement.**

15 **A.** Staff witness Justin Grady is providing testimony in support of Agreement conditions (a)
16 through (d). My testimony supports conditions (e) through (g).
17
18

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

1 **Q. Please describe condition (e).**

2 **A.** Condition (e) is designed to provide certainty to the Kansas landowners that are affected
3 by the line siting approved by the Commission in Docket 13-GBEE-803-MIS (13-803).
4 Currently, the landowners are in a “regulatory limbo” as they await GBE’s decision to
5 continue with the Project. In the Rebuttal Testimony of Invenergy witness Kris Zadlo, he
6 notes that easement acquisition is one of the last tasks to be accomplished in constructing
7 this very complex multi-state project.⁵ Therefore, Condition (e) agrees that Staff will
8 support the extension of the sunset provision found in the 13-803 docket, but it also
9 provides a timeline for GBE that sets a series of deadlines and associated expectations
10 that must be met with respect to the landowners affected by the 13-803 Docket. The
11 purpose of the expectations is to demonstrate the Project is progressing. If the
12 expectations are not met, GBE agrees to ** [REDACTED]
13 [REDACTED] ** after the Project is operational or file a new application for a Kansas line
14 siting permit. Although this Agreement contemplates the 13-803 line siting could be
15 extended for approximately 10 years, GBE agrees to file for a new line siting if
16 negotiations for easements with at least ** [REDACTED] ** of affected landowners have not been
17 started by December of 2028.

18 **Q. Please summarize the timeline in Condition (e).**

19 **A.** A summary of Condition (e) terms is as follows:

⁵ See page 7, lines 7-23 and page 8, lines 1-2, Zadlo rebuttal testimony.

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In return for Staff's support to extend the sunset provision contained in Docket 13-GBEE-803-MIS, GBE agrees to the following performance timeline with respect to the GBE Project.

Condition	Performance Date	Deliverables	Consequence of Non-Performance
(e)(i)	12-2-2024	--Demonstrably commence negotiations to obtain at least **[REDACTED]** of total Kansas easements for the GBE Project; OR --Satisfy the Financing Requirement for the total GBE Project.	**[REDACTED]** OR File for an updated transmission line siting permit.
(e)(ii)	12-2-2026	--Proceed with an updated transmission line siting permit; --Demonstrably commence negotiations to obtain at least **[REDACTED]** of total Kansas easements for the GBE Project; OR --Satisfy the Financing Requirement for the total GBE Project.	**[REDACTED]** OR File for an updated transmission line siting permit.
(e)(iii)	12-2-2028	--Proceed with an updated transmission line siting permit; --Demonstrably commence negotiations to obtain at least **[REDACTED]** of total Kansas easements for the GBE Project; OR --Satisfy the Financing Requirement for the total GBE Project.	File for an updated transmission line siting permit. OR Abandon the GBE Project in Kansas and allow all easements to revert to landowners.

Q. Does Condition (e) render a hearing on the sunset provision in the 13-803 Docket unnecessary?

A. In my opinion, no. At this time, the Commission's Order in the 13-803 Docket has extended the sunset provision of the previous Order in that docket until December 2,

2019.⁶ Although Staff has agreed to support an extension of the sunset provision as outlined in the above table, other interveners in the 13-803 Docket⁷ did not participate in the above outlined negotiated agreement, and their concerns have not yet been addressed by the Commission.

Q. Please describe Condition (f).

A. Condition (f) also relates to the GBE asset that I have described as the approved line siting route. This condition requires GBE to expand the Commission's requirement⁸ for GBE to file quarterly progress reports to include specific statistics on GBE's progress in obtaining easements and communicating with affected landowners.

Q. What is the purpose of this condition?

A. The condition will provide the Commission, Staff and, to some extent, the public with ongoing progress reports of the entire GBE Project. The progress reports will serve as a means for Staff to evaluate GBE's compliance with the terms of the Agreement and any other actions with respect to public utility service in Kansas.

Q. Please describe Condition (g).

A. Condition (g) will be applicable when the GBE Project and/or its AC Collector System become operational in Kansas. When operations begin, GBE agrees to maintain sufficient personnel in Kansas in order to provide adequate emergency response to its

⁶ See Docket 13-GBEE-803-MIS Order Canceling Procedural Schedule and Granting Limited Extension of Sunset Provision, December 6, 2018.

⁷ An affected landowner, Matthew Stallbaumer, Nemaha County, and Nemaha-Marshall Electric Cooperative filed comments or intervened in the discussion about extending the sunset provision in the 13-803 Docket.

⁸ See Docket 11-GBEE-624-COC Paragraph 22 of Order Approving Stipulation and Agreement and Granting Certificate, December 7, 2011. See also Docket 13-GBEE-803-MIS, Paragraph 56, Order Granting Siting Permit, November 11, 2013.

1 Kansas operations in accordance with good utility practices. The agreement also lists
2 activities that must be included in the broad term of good utility practices.

3 **Q. What is the purpose of this condition?**

4 **A.** This condition ensures GBE will have sufficient processes in place to provide adequate
5 public safety should an emergency involving its system occur in Kansas.

6 **Q. Have you reviewed the five factor test used by the Commission to evaluate a**
7 **settlement agreement?**

8 **A.** Yes. It is my understanding the Commission must make an independent finding that
9 settlement is supported by substantial competent evidence in the record. To perform this
10 evaluation, the Commission uses the following five factors:

11 (1) Has each party had an opportunity to be heard on its reasons for opposing the
12 settlement?

13 (2) Is the Agreement supported by substantial competent evidence in the record as
14 a whole?

15 (3) Does the Agreement conform to applicable law?

16 (4) Will the Agreement result in just and reasonable rates?

17 (5) Are the results of the Agreement in the public interest, including the interests of
18 customers represented by any party not consenting to the Agreement?

19 **Q. Which of the factors apply to the operations issues discussed in your testimony?**

20 **A.** My testimony addresses factors 1, 2, 3, and 5.

21 **Parties had an Opportunity to be Heard on Reasons for Opposing the Settlement**

22 **Q. Has each party had an opportunity to be heard on its reasons for opposing the**
23 **settlement?**

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1 **A.** There are no parties to this Docket that oppose the settlement. The parties that have
2 intervened in the subject Docket have had the opportunity to be heard. The Agreement
3 was negotiated between Staff and the Joint Applicants. The only other party that
4 intervened was ITC, a transmission operator in Kansas. Although ITC did not participate
5 in the settlement discussions, it had an opportunity to review the document and does not
6 oppose the Agreement.

7 **Q. Did the parties participate in settlement discussions?**

8 **A.** Although ITC did not participate in the settlement discussions, it had an opportunity to
9 review the document and does not oppose the Agreement. As I noted above, the
10 intervenors from the 13-803 Docket did not intervene in this docket, and therefore, did
11 not participate in settlement discussions.

12 **The Agreement is Supported by Substantial Competent Evidence in the Record**

13 **Q. Is the Agreement supported by substantial competent evidence in the record as**
14 **a whole?**

15 **A.** Yes. In addition to the Application, the Joint Applicants filed Direct Testimony in
16 support of the Application. Staff conducted discovery, which guided its Direct
17 Testimony and settlement negotiations. The facts and analysis of the various testimonies
18 resulted in a compromise of the parties' filed positions that led to the Agreement.

19 **The Agreement Conforms with Applicable Law and will Result in Just and**
20 **Reasonable Rates**

21 **Q. Does the Agreement conform to applicable law?**

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1 **A.** For the terms that I have addressed, I believe the Agreement conforms with applicable
2 law. That is, I believe the Agreement is just and reasonable, and it is in the public
3 interest.

4 **Q.** **Will the Agreement result in just and reasonable rates?**

5 **A.** This settlement factor will be addressed in Staff witness Justin Grady's testimony filed in
6 support of settlement.

7 **The Results of the Agreement are in the Public Interest, Including the Interests of**
8 **Customers Represented by any Party not Consenting to the Agreement**

9 **Q.** **Are any of the intervening parties opposed to the Agreement?**

10 **A.** No intervening parties are opposed to the Agreement.

11 **Q.** **Do you believe the Agreement is in the public interest?**

12 **A.** Yes. While I consider the Project to be in a conceptual phase of development, the upside
13 potential of the business plan expressed in the 11-624 and 13-803 Dockets still exists.
14 That is, the GBE project has the potential to move a significant amount of wind generated
15 energy from western Kansas if GBE is successful in getting commitments from interested
16 customers, and regulatory approval from four states. Regarding the line siting and its
17 impact on affected landowners, the Agreement provides a path forward to achieve
18 completion of the project or a release of the Commission-approved siting route. The
19 Agreement balances the landowner interests with GBE's need for sufficient time to bring
20 the Project from its conceptual phase to completion.

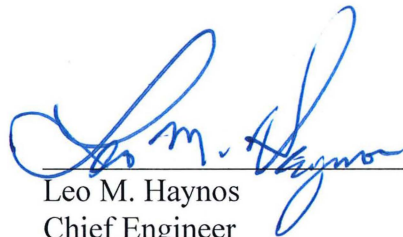
21 **Q.** **Does this conclude your testimony?**

22 **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 *Testimony in Support of Unanimous Settlement Agreement*, 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 1st day of May, 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 Staff Leo M. Haynos Testimony in Support of Unanimous Settlement Agreement was served via electronic service this 1st day of May, 2019, to the following:

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