## THE STATE CORPORATION COMMISION OF THE STATE OF KANSAS

Before Commissioners:

Shari Feist Albrecht, Chair Jay Scott Emler Dwight D. Keen

In the Matter of the Application of Grain Belt ) Express Clean Line LLC for a Siting Permit ) for the Construction of a High Voltage Direct ) Transmission Line in Ford. Current ) Pawnee. Hodgeman, Edwards, Barton, ) Russell, Osborne, Mitchell, Cloud, ) Washington, Marshall, Nemaha, Brown, and ) Doniphan Counties Pursuant to K.S.A. 66-) 1,177, et seq.

Docket No. 13-GBEE-803-MIS

## ORDER GRANTING LIMITED EXTENSION OF SUNSET PROVISION

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records, the Commission finds:

1. On July 15, 2013, Grain Belt Express Clean Line LLC (Grain Belt) filed an Application pursuant to the Kansas Electric Transmission Siting Act (Siting Act), K.S.A. 66-1,177 *et seq.*, for a siting permit to construct in Kansas approximately 370 miles of the approximately 750-mile HVDC transmission line that continues to Missouri, Illinois, and Indiana, a converter station in Ford County, Kansas, and facilities to interconnect the converter station with the Southwest Power Pool (SPP).<sup>1</sup>

2. On November 7, 2013, the Commission issued its Order Granting Siting Application (Order), finding that the Grain Belt Express line is necessary because "[w]ithout this project, hundreds of millions of economic development dollars would not be spent in Kansas, and

<sup>&</sup>lt;sup>1</sup> Application, July 15, 2013, ¶ 5.

the potential for large scale wind farm development would be lost" and "this project will have significant short- and long-term economic development benefits for the state of Kansas."<sup>2</sup>

3. In addition to finding a proposed transmission line necessary, before issuing a siting permit, the Commission must also determine the reasonableness of the location of the proposed electric transmission line.<sup>3</sup>

4. After considering comments from landowners, the Commission found the modified proposed route, is reasonable and in the public interest.<sup>4</sup> The Commission granting of a siting permit was conditioned on Grain Belt submitting quarterly reports detailing the progress and costs of the project, and beginning construction of the of the Grain Belt Express Project (Project) within five years from the date of the Order<sup>5</sup> If construction did not state within five years, Grain Belt would be required to submit a new application.<sup>6</sup> Since the Order was issued November 7, 2013, Grain Belt would need to start construction in Kansas by November 7, 2018 or reapply.

5. Before starting construction in Kansas, the Order required Grain Belt to obtain approval from the other states where the Grain Belt Express would be built, namely Missouri, Illinois, and Indiana.<sup>7</sup>

6. The Illinois Courts have issued decisions requiring Grain Belt to acquire property in Illinois before it can submit a new application to the Illinois Commerce Commission for a certificate to build the Illinois portion of the transmission Project.<sup>8</sup> Grain Belt is working to acquire property in Illinois to enable it to file a new certificate application with the ICC.<sup>9</sup>

<sup>6</sup> Id.

<sup>&</sup>lt;sup>2</sup> Order Granting Siting Application (Order), Nov. 7, 2013, ¶ 36.

<sup>&</sup>lt;sup>3</sup> *Id.*, ¶ 38.

<sup>&</sup>lt;sup>4</sup> *Id.*, ¶¶ 46, 52.

<sup>&</sup>lt;sup>5</sup> Order, ¶ 55.

<sup>&</sup>lt;sup>7</sup> Id., ¶ 53.

<sup>&</sup>lt;sup>8</sup> Joint Motion of Grain Belt Express Clean Line LLC and Commission Staff for Extension of Sunset Term, Sept. 6, 2018, ¶ 8.

<sup>9</sup> Id.

7. In July 2015, the Missouri Public Service Commission (MPSC) denied Grain Belt's application for a certificate to build the Missouri portion of the line.<sup>10</sup> Grain Belt appealed the MPSC decision, resulting in a unanimous decision by the Missouri Supreme Court, issued on July 17, 2018, finding the MPSC erred and remanding the matter back to the MPSC to determine whether the Missouri portion of the Project is necessary or convenient for the public service.<sup>11</sup> Once the Missouri Supreme Court issues its mandate, Grain Belt will urge the MPSC to promptly issue a certificate to build the Missouri portion of the Project.<sup>12</sup>

8. On September 6, 2018, Grain Belt and the Commission Staff (Staff) filed their Joint Motion for Extension of Sunset Term (Joint Motion), explaining that the litigation delays in Illinois and Missouri makes it unlikely Kansas construction would begin by November 7, 2018, and requesting extending the sunset date be extended to November 7, 2023.<sup>13</sup> The Joint Motion is limited to a request to extend the sunset date by five years,<sup>14</sup> to allow Grain Belt an opportunity to complete the permitting process and pre-construction activities required prior to beginning construction of the Project in Kansas.<sup>15</sup>

9. The Joint Motion was served electronically to all the parties in the Docket, including those landowners who had intervened to oppose Grain Belt's Application.<sup>16</sup> On September 17, 2018, Matthew Stallbaumer filed his Protest to the Joint Motion.

10. Stallbaumer argues the proposed extension is not in the public interest because: (1) the sunset provision protects landowners from having their lives placed on hold for a project that

- <sup>12</sup> Id.
- $^{13}$  Id., ¶ 17.
- <sup>14</sup> *Id*, ¶ 16. <sup>15</sup> *Id*., ¶¶ 16-18.
- $^{16}$  Id., ¶ 18.

<sup>&</sup>lt;sup>10</sup> Id., ¶ 9.

<sup>&</sup>lt;sup>11</sup> Id., at 11.

may never be built;<sup>17</sup> (2) the route selection study is five years old and may need to be reconsidered;<sup>18</sup> (3) Grain Belt's financial ability to build the line and its managerial ability to run the line need to be reevaluated;<sup>19</sup> and (4) Grain Belt may not get approval from Illinois or Missouri.<sup>20</sup>

11. On September 24, 2018, Nemaha-Marshall Electric Cooperative, Inc. (NMEC) filed its Reply to the Joint Motion of Grain Belt Express Clean Line LLC's and Kansas Corporations Commission Staff and Proposed Order, expressing its concern about the Project and points to a transmission line collapse in Haskell County, Kansas.<sup>21</sup> NMEC urges the Commission to deny the proposed extension and instead require Grain Belt to pay it to bury its facilities.<sup>22</sup>

12. NMEC is improperly attempting to relitigate the necessity and convenience of the Project. Therefore, the Commission denies the request to review the actual route of the facilities and safety procedures.

13. On September 26, 2018, Staff filed its Response to the Protest of Matthew Stallbaumer to the Motion of Grain Belt Express Clean Line LLC and Commission Staff for Extension of Sunset Term, claiming Stallbaumer's Protest erroneously interprets the purpose of the five-year sunset provision.<sup>23</sup> According to Staff, the purpose of the sunset provision was not to protect landowners, but to prevent the Project for stalling at the border.<sup>24</sup>

<sup>&</sup>lt;sup>17</sup> Protest of Matthew Stallbaumer to the Motion of Grain Belt Express Clean Line LLC and Commission Staff for Extension of Sunset Term (Stallbaumer Protest), Sept. 17, 2018, ¶ 11.

<sup>&</sup>lt;sup>18</sup> *Id.*, ¶ 12.

<sup>&</sup>lt;sup>19</sup> *Id.*, ¶ 13.

<sup>&</sup>lt;sup>20</sup> *Id.*, ¶ 14.

<sup>&</sup>lt;sup>21</sup> Reply to the Joint Motion of Grain Belt Express Clean Line LLC's and Kansas Corporations Commission Staff and Proposed Order, Sept. 24, 2018, ¶¶ 3-4.

<sup>&</sup>lt;sup>22</sup> *Id.*,  $\P$  5.

 <sup>&</sup>lt;sup>23</sup> Staff's Response to the Protest of Matthew Stallbaumer to the Motion of Grain Belt Express Clean Line LLC and Commission Staff for Extension of Sunset Term, Sept. 26, 2018, ¶ 7.
<sup>24</sup> Id.

14. In addressing Stallbaumer's concerns that Grain Belt may no longer have the financial, managerial and technical ability to complete the Project, Staff explains Grain Belt's quarterly status reports filed in the 14-GBEE-527-CPL Compliance Docket demonstrate that Grain Belt Express continues to meet the requirements of the Kansas Siting Act, K. S .A. 66-1, 177 *et seq.*<sup>25</sup> Therefore, Staff recommends denying Stallbaumer's Protest.

15. On September 27, 2018, Grain Belt filed its Response to Protest of Matthew Stallbaumer, explaining that extending the Sunset Provision would not alter its obligations to work with all affected landowners to restore any affected land to its pre-construction condition when possible.<sup>26</sup> Grain Belt also advises that personnel changes happen routinely and do not impact the Commission's finding that the Project was necessary and convenient.<sup>27</sup>

16. The Commission finds Stallbaumer's concerns regarding Grain Belt's financial, managerial and technical ability to complete the Project compelling based on Stallbaumer alleging: (1) many of Grain Belt's employees have left the company<sup>28</sup> and (2) Grain Belt has recently sold its non-transmission assets to ConnectGen LLC.<sup>29</sup> To allow the Commission time to evaluate Grain Belt to submit evidence of its financial, managerial and technical ability to complete the Project, the Commission grants an extension of the sunset provision until March 1, 2019.

17. Therefore, by November 29, 2018, the Commission directs Grain Belt to submit evidence of its financial, managerial and technical ability to complete the Project.

<sup>&</sup>lt;sup>25</sup> Id., ¶ 9.

<sup>&</sup>lt;sup>26</sup> Response of Grain Belt Express Clean Line LLC to Protest of Matthew Stallbaumer, Sept. 27. 2018, ¶ 1.

 $<sup>^{27}</sup>$  Id., ¶ 2.

<sup>&</sup>lt;sup>28</sup> Stallbaumer Protest, ¶ 13.

<sup>&</sup>lt;sup>29</sup> Id.

18. Stallbaumer and NMEC can file pleadings limited to Grain Belt's financial, managerial and technical ability to complete the Project. Stallbaumer's and NMEC's pleadings are due by December 21, 2018.

19. The Commission directs Staff to file a Report and Recommendation by February 6, 2019, evaluating Grain Belt's financial, managerial and technical ability to complete the Project. Upon review of Staff's Report and Recommendation, the Commission will determine whether a hearing is necessary. If a hearing is necessary, the Commission may extend the Sunset deadline to enable it to conduct a hearing.

#### THEREFORE, THE COMMISSION ORDERS:

A. The Sunset Term is extended until March 1, 2019 to allow Grain Belt to advise the Commission of its financial, managerial and technical ability to complete the Project.

B. By November 29, 2018, Grain Belt shall submit evidence of its financial, managerial and technical ability to complete the Project. Stallbaumer's and NMEC's responses to Grain Belt's submission are due by December 21, 2018. Their responses are limited to Grain Belt's financial, managerial and technical ability to complete the Project.

C. Staff is directed to file a Report and Recommendation by February 6, 2019, evaluating Grain Belt's financial, managerial and technical ability to complete the Project.

D. Any party may file and serve a petition for reconsideration pursuant to requirements and time limits established by K.S.A. 77-529(a)(1).<sup>30</sup>

E. The Commission retains jurisdiction over the subject matter and the parties to enter further orders as it deems necessary.

<sup>&</sup>lt;sup>30</sup> K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

# BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: \_\_\_\_\_\_

Lynn M. Ref

Lynn M. Retz Secretary to the Commission

BGF

#### **CERTIFICATE OF SERVICE**

#### 13-GBEE-803-MIS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

electronic service on 10/04/2018

JOHN J. MCNISH, ATTORNEY AT LAW BOLTON & MCNISH, LLC 916 BROADWAY STREET PO BOX 386 MARYSVILLE, KS 66508 Fax: 785-562-2124 jmcnish@bluevalley.net

TERRI PEMBERTON, ATTORNEY CAFER PEMBERTON LLC 3321 SW 6TH ST TOPEKA, KS 66606 Fax: 785-233-3040 terri@caferlaw.com

SUSAN B. CUNNINGHAM, ATTORNEY DENTONS US LLP 7028 SW 69TH ST AUBURN, KS 66402-9421 Fax: 816-531-7545 susan.cunningham@dentons.com

D. BERRY, GENERAL COUNSEL GRAIN BELT EXPRESS CLEAN LINE LLC 1001 MCKINNEY ST STE 700 HOUSTON, TX 77002-6448 dberry@cleanlineenergy.com

BRETT D. LEOPOLD, PRESIDENT ITC GREAT PLAINS, LLC 3500 SW FAIRLAWN RD STE 101 TOPEKA, KS 66614-3979 Fax: 785-783-2230 bleopold@itctransco.com GLENDA CAFER, ATTORNEY CAFER PEMBERTON LLC 3321SW 6TH ST TOPEKA, KS 66606 Fax: 785-233-3040 glenda@caferlaw.com

CYNTHIA A. DETTKE THORESON 1206 WALNUT MARYSVILLE, KS 66508 Fax: 785-713-2872 cthoreson@gmail.com

DONALD L. MILLER 3355 E HAMPTON LN GILBERT, AZ 85295 dnmilikan@cox.net

ERIN SZALKOWSKI GRAIN BELT EXPRESS CLEAN LINE LLC 1001MCKINNEY ST STE 700 HOUSTON, TX 77002-6448 eszalkowski@cleanlineenergy.com

ALAN K. K MYERS, DIRECTOR TRANSMISSION PLANNING ITC GREAT PLAINS, LLC 3500 SW FAIRLAWN RD STE 101 TOPEKA, KS 66614-3979 amyers@itctransco.com

### **CERTIFICATE OF SERVICE**

13-GBEE-803-MIS

CHRIS WINLAND, MANAGER, REGULATORY STRATEGY ITC GREAT PLAINS, LLC 204 NORTH ROBINSON AVE SUITE 2500 OKLAHOMA CITY, OK 73102 cwinland@itctransco.com

HOLLY FISHER, ATTORNEY ITC HOLDINGS CORP 3500 SW FAIRLAWN RD STE 101 TOPEKA, KS 66614 hfisher@itctransco.com MATTHEW S. CARSTENS, SR. COUNSEL-CAP. PROJECTS & MAINTENANCE ITC HOLDINGS CORP 123 5TH STREET SE CEDAR RAPIDS, IA 52401 mcarstens@itctransco.com

JANA L. REED 3224 MAIN GREAT BEND, KS 67530 reed1arizona@yahoo.com

COLE BAILEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3354 c.bailey@kcc.ks.gov

AMBER SMITH, CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3167 a.smith@kcc.ks.gov

MATTHEW STALLBAUMER 5201 SW 23RD TERRACE TOPEKA, KS 66614 matthewstallbaumer@yahoo.com

RODGER A. SWANSON, VP & TO PEOPLES BANK & TRUST CO. 101S MAIN ST PO BOX 1226 MCPHERSON, KS 67460 rodger.swanson@peoplesbankonline.com BRIAN G. FEDOTIN, DEPUTY GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3354 b.fedotin@kcc.ks.gov

LAURA E. JOHNSON-MCNISH, MARSHALL COUNTY ATTORNEY LAURA E. JOHNSON-MCNISH 1201BROADWAY MARYSVILLE, KS 66508 Fax: 785-562-2971 ms\_co\_attorney@yahoo.com

NANCY VOGELSBERG-BUSCH NANCY VOGLESBERG-BUSCH 896 15TH ROAD HOME, KS 66438 nancyvb@bluevalley.net

RAY BERGMEIER, STAFF ATTORNEY SUNFLOWER ELECTRIC POWER CORPORATION 301W. 13TH PO BOX 1020 (67601-1020) HAYS, KS 67601 Fax: 785-623-3395 rbergmeier@sunflower.net

## **CERTIFICATE OF SERVICE**

13-GBEE-803-MIS

THOMAS AND DEBORAH STALLBAUMER 514 N 7TH SENECA, KS 66538 teestall@att.net DENNIS R. DAVIDSON, ATTORNEY AT LAW THOMPSON ARTHUR & DAVIDSON 525 NORTH MAIN STREET PO BOX 111 RUSSELL, KS 67665-0111 Fax: 785-483-3504 dennis.tad@eaglecom.net

TAYLOR P. CALCARA, ATTORNEY WATKINS CALCARA CHTD. 1321 MAIN ST STE 300 PO DRAWER 1110 GREAT BEND, KS 67530 Fax: 620-792-2775 tcalcara@wcrf.com

MARK D. CALCARA, ATTORNEY WATKINS CALCARA CHTD. 1321 MAIN ST STE 300 PO DRAWER 1110 GREAT BEND, KS 67530 Fax: 620-792-2775 mcalcara@wcrf.com

CATHRYN J. DINGES, CORPORATE COUNSEL WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 Fax: 785-575-8136 cathy.dinges@westarenergy.com

> /S/ DeeAnn Shupe DeeAnn Shupe