

Proposed

**STATE OF KANSAS
STATE CORPORATION COMMISSION**

Notice of Public Hearing on Proposed Administrative Regulations

July 17, 2014

The State Corporation Commission will conduct a public hearing at 2:00 p.m. on September 25, 2014, in the First Floor Hearing Room at the office of the State Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas, to consider the adoption of proposed rules and regulations of the State Corporation Commission of the State of Kansas on a permanent basis.

This notice exceeds the 60-day notice requirement of the pending public hearing and shall constitute the beginning of the public comment period for the purpose of receiving written public comments on the proposed rules and regulations. Copies of the regulations and their economic impact statements may be obtained by contacting the Kansas Corporation Commission, Amber Smith, 1500 SW Arrowhead Road, Topeka, Kansas 66604 or (785) 271-3301 or by accessing the department's website at <http://www.kcc.ks.gov>. All interested parties may submit written comments prior to the hearing to Amber Smith, Litigation Counsel, Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas 66604, or by email to a.smith@kcc.ks.gov. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulations during the public hearing. To provide all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five (5) minutes.

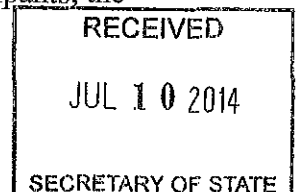
Any individuals needing accommodations to participate in the public hearing should contact Dawn Dubach at (785) 271-3113 or the Kansas Relay Center at 1-800-766-3777 at least five (5) working days before the hearing. Accommodations include providing the proposed regulation and economic impact statement in accessible formats. The main entrance located on the southwest side of the building is handicapped accessible. Accessible parking is located on the southwest side of the State Corporation Commission parking lot.

A summary of the proposed regulations and the economic impact for each are as follows: (Note: Statements indicating that a regulation is "not anticipated to have any economic impact" are intended to indicate that no economic impact on the State Corporation Commission, other state agencies, state employees, or the general public has been identified.)

K.A.R. 82-18-1

This new regulation defines the scope of the Commission's emergency management requirements for energy operators operating in Kansas. This regulation also details the manner in which an energy operator may request exemption from the entirety or parts of the Emergency Management Requirements for Natural Gas and Electric Utilities Act.

The Commission Staff does not anticipate a measurable economic impact resulting from the adoption of this proposed regulation. Based on the discussions with industry participants, the



Commission Staff believes the utilities affected by these regulations have some measure of an emergency plan in place. Therefore, the Commission anticipates any economic impact will be negligible.

K.A.R. 82-18-2

This new regulation defines the terms used throughout the Emergency Management Requirements for Natural Gas and Electric Utilities act.

The Commission Staff does not anticipate a measurable economic impact resulting from the adoption of this proposed regulation. Based on the discussions with industry participants, the Commission Staff believes the utilities affected by these regulations have some measure of an emergency plan in place. Therefore, the Commission anticipates any economic impact will be negligible.

K.A.R. 82-18-3

This new regulation establishes the minimum standards of a compliant energy supplier's emergency plan. Specifically, this regulation provides the minimum filing requirements, the basic content of an energy supplier's emergency preparedness plan, the minimum standard for an energy supplier's prioritization of service plan for the restoration of service in the event of an emergency or service curtailment.

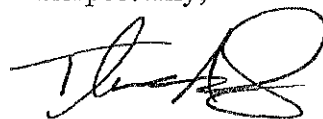
The Commission Staff does not anticipate a measurable economic impact resulting from the adoption of this proposed regulation. Based on the discussions with industry participants, the Commission Staff believes the utilities affected by these regulations have some measure of an emergency plan in place. Therefore, the Commission anticipates any economic impact will be negligible.

K.A.R. 82-18-4

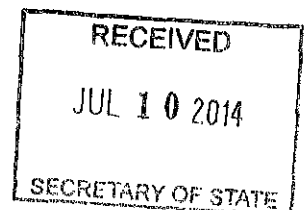
This new regulation establishes the minimum standards for the manner of communication as may be required of energy supplier during an emergency. This proposed regulation guides the energy supplier in the establishment of a communication plan for use between the supplier and its customers, the Commission and the Kansas Division of Emergency Management.

The Commission Staff does not anticipate a measurable economic impact resulting from the adoption of this proposed regulation. Based on the discussions with industry participants, the Commission Staff believes the utilities affected by these regulations have some measure of an emergency plan in place. Therefore, the Commission anticipates any economic impact will be negligible.

Respectfully,



Thomas A. Day
Acting Executive Director



Proposed

Article 18. Emergency Management Requirements for Energy Suppliers

82-18-1. Applicability; waivers. (a) At a minimum, each energy supplier operating in Kansas shall create and maintain an emergency plan that meets the requirements of this article.

(b) Any energy supplier may file a request for waiver with the commission. Each request shall state the reason for a requested waiver of any requirement of this article. The waiver request may be granted by the commission if unique circumstances render compliance with the requirements of this article impracticable. (Authorized by and implementing K.S.A. 2013 Supp. 74-616 and 74-620; effective P-_____.)

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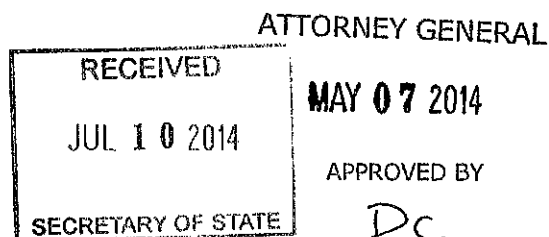
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82-18-2. Definitions. Each of the following terms, as used in this article, shall have the meaning specified in this regulation:

- (a) “Balancing authority” means an entity that is registered with the North American electric reliability corporation and is responsible for integrating resource plans ahead of time, maintaining load-interchange-generation balance within its specific area, and supporting interconnection frequency in real time.
- (b) “Black start” means the process of restoring an electric generation plant to operation without relying on the external electric power transmission grid.
- (c) “Commission” means state corporation commission of Kansas.
- (d) “Critical circuit” means an electrical circuit providing service to a critical customer or to critical infrastructure.
- (e) “Critical customer” means any customer who has provided the energy supplier with documentation of the necessity of a life-support system for which any interruption in energy service would be immediately life-threatening.
- (f) “Critical infrastructure,” as this term applies to energy suppliers, means energy facilities vital for responding to emergencies.
- (g) “Curtailement” means an energy supplier’s reduction in the delivery of energy for the purpose of stabilizing the energy supplier’s energy facilities.
- (h) “Customer” means a business or individual who receives energy service through a meter owned by an energy supplier.
- (i) “Cyber security” means an energy supplier’s protection of all information and equipment pertaining to the internet, including the energy supplier’s information network, the



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information stored in computer databases and other applications, and equipment and operations controlled by devices connected to the energy supplier's information network.

(j) "Disaster" means an event deemed a disaster by the governor of Kansas, pursuant to K.S.A. 48-924 and amendments thereto.

(k) "Emergency" means any situation that results in the activation of emergency support function 12 by the Kansas division of emergency management, pursuant to K.S.A. 48-920 et seq. and amendments thereto.

(l) "Emergency plan" means the emergency plan developed by an energy supplier pursuant to K.A.R. 82-18-3 to be executed during an emergency.

(m) "Emergency support function 12" and "ESF 12" mean that portion of the Kansas response plan established by the Kansas division of emergency management to support energy supplier restoration activities.

(n) "Energy facility" means any component used by an energy supplier to generate, transmit, or distribute energy.

(o) "Energy supplier" means the operator of any of the following:

(1) Energy facilities for electric generation, except those that are subject to the emergency operations and preparedness standards of the North American electric reliability corporation or are under the functional control of the southwest power pool;

(2) electric transmission energy facilities, except those that are subject to the emergency operations and preparedness standards of NERC or are under the functional control of SPP;

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(3) energy facilities for electric distribution, except those that are subject to the emergency operations and preparedness standards of NERC or are under the functional control of SPP;

(4) energy facilities for intrastate natural gas transmission; or

(5) energy facilities for natural gas distribution.

(p) "Hazardous," when used to describe a condition, means that the condition is capable of posing an unreasonable risk to health, safety, or property.

(q) "Interruptible customer" means a customer who has agreed to remove its demand from the energy supplier's operations, upon request, to aid the energy supplier in its efforts to support and stabilize its energy facilities and to reduce the overall demand on the energy supplier's operations.

(r) "Kansas division of emergency management" and "KDEM" mean the division of emergency management in the office of the adjutant general as defined in K.S.A. 48-904, and amendments thereto.

(s) "Local emergency planning committee" means any committee organized pursuant to K.S.A. 65-5722(g), and amendments thereto.

(t) "Major energy supplier" means an energy supplier with more than 25,000 customers.

(u) "Minor energy supplier" means an energy supplier with 25,000 or fewer customers.

(v) "Mutual assistance agreement" means a formal agreement between two or more energy suppliers to lend assistance to each other during an emergency.

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(w) "North American electric reliability corporation" and "NERC" mean the electric reliability organization certified by the federal energy regulatory commission to establish and enforce reliability standards in North America.

(x) "Nursing facility" has the meaning specified in K.S.A. 39-923, and amendments thereto.

(y) "Planned interruption" means an interruption of energy service that results when the energy supplier or its agent deliberately takes an energy facility out of service at a selected time.

(z) "Southwest power pool" and "SPP" mean the regional transmission organization mandated by the federal energy regulatory commission to ensure reliable supplies of electrical power and competitive wholesale prices for electricity.

(aa) "Transmission operator" means either of the following:

(1) A NERC-registered entity that is responsible for the reliability of its local electric transmission operation and either operates or directs the operations of energy facilities in accordance with NERC standards; or

(2) an energy supplier that operates an energy facility for intrastate natural gas transmission. (Authorized by and implementing K.S.A. 2013 Supp. 74-616 and 74-620; effective P-_____.)

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82-18-3. Emergency plan. (a) General.

(1) Except as provided in subsection (f), each energy supplier shall establish a written emergency plan meeting at least the requirements in this regulation and shall keep records necessary to administer the plan. Each energy supplier shall maintain its emergency plan and shall make a copy available to the commission upon request.

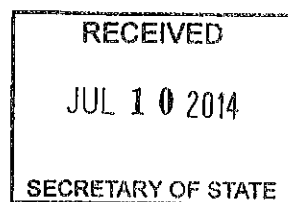
(2) Each energy supplier shall file with the commission a written attestation that the energy supplier's emergency plan meets the requirements in this regulation. The attestation shall be filed on or before March 31 of each calendar year.

(3) Each energy supplier shall review and update its emergency plan at least once each calendar year.

(4) Each energy supplier shall keep a copy of the emergency plan where the energy supplier's operations and maintenance activities are conducted.

(b) Emergency preparedness. The emergency plan required by subsection (a) shall include the following requirements, to provide for situational awareness of an emergency and to provide for rapid response to restore the energy supplier's service:

- (1) Development and maintenance of contact lists of appropriate energy supplier personnel for each operating area;
- (2) maintenance of current maps of the energy supplier's service area;
- (3) maintenance of current maps of the energy supplier's energy facilities;
- (4) participation in a mutual assistance agreement if the anticipated response needs exceed the resources;



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(5) participation in ESF 12 planning sessions and exercises as requested by the Kansas division of emergency management;

(6) maintenance of service restoration plans;

(7) maintenance of plans for handling an unexpected loss of generation or transmission;

(8) maintenance of black start procedures for electric generation units; and

(9) maintenance of cyber security plans.

(c) Prioritization of service restoration. The emergency plan required by subsection (a) shall include procedures for the prioritization of service restoration for the energy supplier and shall also address the following:

(1) Identification of critical customers;

(2) identification of critical infrastructure;

(3) identification of critical circuits;

(4) the establishment of a prioritization plan that is consistent and coordinated with the interconnected transmission operator and KDEM. The prioritization plan shall restore service in the following order, when practicable:

(A) To customers requiring immediate service to aid in the elimination of hazardous conditions;

(B) to critical infrastructure without an operable alternative power source;

(C) to the greatest number of remaining customers capable of being restored in the shortest time; and

(D) to critical customers; and

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(5) establishment of a critical customer program consisting of at least the following:

(A) Maintaining a list of critical customers that is verified at least once every two years;

(B) providing a copy of the critical customer list to KDEM upon request;

(C) notifying prospective customers upon application for service of the energy supplier's critical customer program and providing instructions for applying for critical customer status;

(D) providing each critical customer, within 10 business days after acceptance of the customer's application for critical status, with a written statement of the customer's options and responsibilities during an interruption of service. This statement shall address the customer's need for backup generators, an operable alternative power source, or evacuation to another location. The energy supplier may require a physician's statement to support a customer's qualification for the energy supplier's critical customer program or the customer's statement regarding the availability of an operable alternative power source, or both; and

(E) annually notifying customers of the energy supplier's critical customer program by bill insert or other notice.

(d) Prioritization of service curtailments. The emergency plan required by subsection (a) shall include procedures for the prioritization of curtailment. The procedures required by this subsection shall assist and coordinate with the interconnecting transmission operator's curtailment plan and shall address the following:

(1) The scheduling of planned interruptions at a time that will limit inconvenience to customers;

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(2) notifying all affected critical customers and operators of critical infrastructure at least 24 hours in advance of the date, time, and estimated duration of each planned interruption. If 24-hour advance notice is not possible, the emergency plan shall include guidelines for notifying affected critical customers and operators of critical infrastructure of the estimated duration of the interruption as soon as reasonable;

(3) notifying all affected customers at least 24 hours in advance of the date, time, and estimated duration of each planned interruption if the duration will be longer than four hours. If 24-hour advance notice is not possible and the duration is estimated to be longer than four hours, the emergency plan shall include guidelines for notifying affected customers and operators of critical infrastructure of the estimated duration of the interruption as soon as reasonable; and

(4) establishing a prioritization plan that curtails service based on the type of service provided by the energy supplier, in the following order:

- (A) Interruptible customers;
 - (B) non-interruptible customers purchasing energy for resale;
 - (C) customers that volunteer to reduce energy consumption;
 - (D) commercial and industrial customers; and
 - (E) residential customers.
- (e) Minimizing the duration of a service outage.

(1) Each energy supplier shall make reasonable efforts to keep outages under emergency situations to less than six hours in duration for critical customers and critical infrastructure.

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(2) If conditions indicate that curtailment of electric service will last for more than two hours, the energy supplier shall rotate service among the energy supplier's less critical load categories so as to limit the continuous period of interruption to critical customers and critical infrastructure.

(f) Providing notice to interruptible customers. Each energy supplier shall provide annual notice by October 31 to all interruptible customers. The notice shall inform each interruptible customer of that customer's status in the curtailment prioritization categories and explain the expected consequences if curtailment of electricity or natural gas supply becomes necessary.

(g) Minor energy supplier exemption. Each minor energy supplier participating in a mutual assistance agreement shall be deemed to meet the requirements of subsections (a) through (f). (Authorized by and implementing K.S.A. 2013 Supp. 74-616 and 74-620; effective P-
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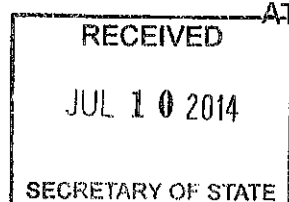
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82-18-4. Communications during emergencies. (a) Except as provided in subsection (c), each energy supplier shall establish written procedures to provide appropriate communications between the energy supplier, its customers, the commission, and KDEM. These procedures shall include requirements regarding the following:

- (1) The coordination with the commission and KDEM regarding public media releases;
- (2) a provision for an initial damage assessment to KDEM that includes a description of the impact of the emergency on the energy supplier's energy facilities, when requested by KDEM;
- (3) a provision for updates on restoration progress to KDEM, when requested by KDEM;
- (4) the implementation of agreements with non-interruptible customers purchasing energy for resale to curtail energy consumption during an emergency;
- (5) the development and implementation of a written continuing public education program that provides for the dissemination of information to customers about relevant safety issues associated with the emergency and updates on recovery efforts;
- (6) the creation of after-action reports to be provided to KDEM and the commission upon request; and
- (7) for each major energy supplier, the establishment of parameters designed to track the effectiveness of emergency response, including the number of crews working the emergency, the estimated number of customers without energy, and the estimated date and time of restoration of service to all customers.



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(b) Each energy supplier shall specify and maintain a contact person with the Kansas division of emergency management. The contact person shall perform the following:

- (1) Coordinate with government organizations that respond to emergencies;
- (2) relay information about the energy supplier's service restoration efforts and priorities; and
- (3) coordinate with state and local emergency responders to minimize hazards to life or property as opportunities occur.

(c) Each minor energy supplier participating in a mutual assistance agreement shall be deemed to meet the provisions of subsections (a) and (b). (Authorized by and implementing K.S.A. 2013 Supp. 74-616 and 74-620; effective P-_____.)

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**KANSAS CORPORATION COMMISSION
ECONOMIC IMPACT STATEMENT
K.A.R. 82-18-1**

I. Summary of Proposed Regulation, Including Its Purpose.

This new regulation defines the scope of the Commission's emergency management requirements for energy operators operating in Kansas. This regulation also details the manner in which an energy operator may request exemption from the entirety or parts of the Emergency Management Requirements for Natural Gas and Electric Utilities Act.

II. Reason or Reasons the Proposed Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.

This new regulation is purposed pursuant to K.S.A. 74-620 which specifically requires the Commission to adopt rules and regulations establishing a system of priorities for the allocation of available natural gas and electric energy during an activation of emergency support function 12 of the Kansas response plan as may be proclaimed by the Governor upon an occurrence or threat of an imminent disaster as provided in K.S.A. 48-924(b)(1).

III. Environmental Benefit Statement.

The Commission does not anticipate a direct environmental benefit on the industry, agency, other governmental agencies, or, the general public.

IV. Anticipated Economic Impact.

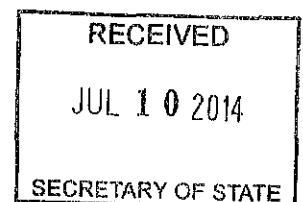
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V. Description of Less Costly Methods Considered Addressing this Issue.

The Commission does not anticipate an economic impact resulting from the adoption of this proposed regulation.

VI. Report on Public Hearing and Comments on Proposed Administrative Regulations.

(Not yet applicable)



**KANSAS CORPORATION COMMISSION
ECONOMIC IMPACT STATEMENT
K.A.R. 82-18-2**

I. Summary of Proposed Regulation, Including Its Purpose.

This new regulation defines the terms used throughout the Emergency Management Requirements for Natural Gas and Electric Utilities act.

II. Reason or Reasons the Proposed Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.

This new regulation is purposed pursuant to K.S.A. 74-620 which specifically requires the Commission to adopt rules and regulations establishing a system of priorities for the allocation of available natural gas and electric energy during an activation of emergency support function 12 of the Kansas response plan as may be proclaimed by the Governor upon an occurrence or threat of an imminent disaster as provided in K.S.A. 48-924(b)(1).

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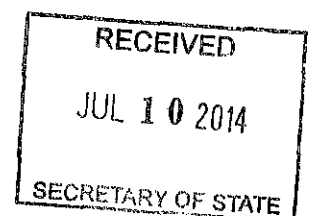
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VI. Report on Public Hearing and Comments on Proposed Administrative Regulations.

(Not yet applicable)



**KANSAS CORPORATION COMMISSION
ECONOMIC IMPACT STATEMENT
K.A.R. 82-18-3**

I. Summary of Proposed Regulation, Including Its Purpose.

This new regulation establishes the minimum standards of a compliant energy supplier's emergency plan. Specifically, this regulation provides the minimum filing requirements, the basic content of an energy supplier's emergency preparedness plan, the minimum standard for an energy supplier's prioritization of service plan for the restoration of service in the event of an emergency or service curtailment.

II. Reason or Reasons the Proposed Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.

This new regulation is purposed pursuant to K.S.A. 74-620 which specifically requires the Commission to adopt rules and regulations establishing a system of priorities for the allocation of available natural gas and electric energy during an activation of emergency support function 12 of the Kansas response plan as may be proclaimed by the Governor upon an occurrence or threat of an imminent disaster as provided in K.S.A. 48-924(b)(1).

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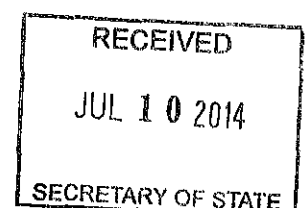
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VI. Report on Public Hearing and Comments on Proposed Administrative Regulations.

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**KANSAS CORPORATION COMMISSION
ECONOMIC IMPACT STATEMENT
K.A.R. 82-18-4**

I. Summary of Proposed Regulation, Including Its Purpose.

This new regulation establishes the minimum standards for the manner of communication as may be required of energy supplier during an emergency. This proposed regulation guides the energy supplier in the establishment of a communication plan for use between the supplier and its customers, the Commission and the Kansas Division of Emergency Management.

II. Reason or Reasons the Proposed Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.

This new regulation is purposed pursuant to K.S.A. 74-620 which specifically requires the Commission to adopt rules and regulations establishing a system of priorities for the allocation of available natural gas and electric energy during an activation of emergency support function 12 of the Kansas response plan as may be proclaimed by the Governor upon an occurrence or threat of an imminent disaster as provided in K.S.A. 48-924(b)(1).

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