

Approved

Stephen R. Cloud 3-2-73
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Rep. Stephen R. Cloud at
Chairperson

9:07 a.m./~~p.m.~~ on February 25, 1983 in room 522-S of the Capitol.

All members were present except:

Committee staff present:

Avis Swartzman - Revisor
Carolyn Rampey - Research Dept.
Jackie Breymeyer - Secretary

Conferees appearing before the committee:

The meeting of the Governmental Organization Committee was called to order by Rep. Cloud, Chairman at 9:07 a.m. The minutes of the previous meeting were approved. On the Agenda for the meeting was HB 2478 and HB 2479.

HB 2478 - An Act concerning the state corporation commission; relating to negotiation of contracts for professional services; affecting the composition of the negotiation committee.

Mr. Brian Moline, State Corporation Commission was present to explain why HB 2478 is needed. Several years ago the corporation commission did not have a bid process. A practice had built up whereby the commissioners had a system of firms selecting their own criteria with very little outside interference from staff. This "philosophically compatible" bid process made the legislative body uneasy and it passed legislation to rectify the situation. K.S.A. 66-1513. The Chairman of the corporation commission has not participated for a long time and has always appointed Mr. Moline to attend for him. There is the Director of Utilities, Mr. Loux, the Director of the Budget, Mr. Epps and the State Comptroller, Mr. Bob Iceman. The corporation commission chairman does not think it proper for members of the commission to participate in the selection of outside consultants. The rate case staff and consultants are technically adversaries and very sensitive to any kind of interaction from the commission members prior to the hearing. The commission is actually sitting in judgment. The chairman thinks it would be appropriate to have the correct director sitting in on the negotiating team. Mr. Moline stated that most contractual negotiations would be with the Special Projects Division (which includes long range research and planning), Oil and Gas Conservation Division and Utilities Division (which includes electricity and telecommunications). After making a few other comments, Mr. Moline ended his presentation.

Chairman Cloud stated that this would end the hearing on HB 2478.

HB 2479 - An Act concerning the issuance of securities by public utilities and common carriers; relating to the duties of the state corporation commission with respect thereto.

Mr. Moline stated that K.S.A. 66-125 provides that any utility company wishing to issue stocks, bonds or other securities must make a filing with the State Corporation Commission. The request goes under individual review and a hearing is held. The request is approved almost as a formality and the Commission verifies these statements are true and correct. The Commission really needs to investigate all of these requests in order that the above statement would be true or have the legislature remove this provision from the statute and rely on the representatives of counsel as to their validity. If some problem would arise, it would be the responsibility of the SCC to investigate further. There must be some repository where the public can find out what is going on. It is a question of bringing the K.S.A. up to reality. This bill would be a mechanism to bring the actual practice into line with the statute.

Chairman Cloud stated that this would end the hearing on HB 2479.

The Chairman asked the Committee to be prompt for the meetings next week. He will aim for a 10:15 adjournment. The meeting was adjourned at 9:38

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

