

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator Paul Hess at _____
Chairperson

11:00 a.m./p.m./ on April 4, 1983, 19__ in room 123-S of the Capitol.

All members were present except:
Senators McCray and Steineger

Committee staff present:
Research Department: Marlin Rein, Sherry Brown, Mary Galligan
Revisor's Office: Norman Furse
Committee Office: Doris Fager

Conferees appearing before the committee:
Brian Moline, Kansas Corporation Commission
Glenn Cogswell, Northwest Central Pipeline Corporation and Delhi Gas Pipeline Corporation
Robert A. Anderson, Kansas-Nebraska Natural Gas Co., Inc.
Donald E. Willoughby, Inter North, Inc.

HB 2064 - Appropriations FY 1984, Education

Motion was made by Senator Talkington and seconded by Senator Harder to reconsider previous action of the committee on HB 2064. The motion carried by voice vote.

A conceptual motion was made by Senator Harder and seconded by Senator Talkington to amend HB 2064 by including the following: funds for general aid only--school finance; funds for transportation; income tax refund; and funds for special education--all subject to figures from the Department of Education, and subject to verification. The motion carried by voice vote.

Motion was made by Senator Talkington and seconded by Senator Harder to report HB 2064 as further amended favorably for passage. The motion carried by roll call vote.

HB 2154, HB 2469 and HB 2498

Senator Talkington noted that these bills had been referred to the Ways and Means Committee in order to hold them for further debate by other committees or on the Senate Floor. Motion was made by Senator Talkington and seconded by Senator Doyen to report HB 2154, HB 2469 and HB 2498 without recommendation. The motion carried by roll call vote.

HB 2434 - Establishing Kansas Office of Energy Conservation Management

Senator Hess reminded the committee that the appropriations subcommittee had recommended that the Kansas Corporation Commission be given the responsibilities now in the Kansas Energy Office; therefore, HB 2434 would not be in line with that subcommittee report.

A conceptual motion was made by Senator Hein and seconded by Senator Gaines to amend HB 2434 to carry out the recommendations in the subcommittee report for the Kansas Energy Office; to incorporate the definitions in Section 1, HB 2445, and amend it into HB 2434; but to delete any language in HB 2434 relating to "division"--thus allowing the KCC to determine where the responsibilities will be placed. The motion carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Bogina to amend SB 433 into HB 2434. Senator Gaines indicated he is not sure it is correct to make the KCC a general fund agency because of the different kinds of functions within the agency. He suggested it might be well to

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.

HB 2434 - Continued

look at it during the interim, and make a decision during the 1984 session of the Legislature. Senator Hein said he felt the KCC was similar to other agencies which are a mixture of fees and state general fund. There followed an extended discussion concerning the pros and cons of SB 433, and an explanation by staff of the contents of the bill. It was decided to hold HB 2434 until a later meeting, and to vote on Senator Hein's motion at that time.

HB 2497 - Corporation Commission Assessments to be made quarterly

The Chairman noted that this bill had been reported favorably by the committee, and then rereferred. Mr. Moline explained the bill. He said it was the Commission's thought that assessments should be made against the utility in which the intervention activity is taking place.

Mr. Cogswell suggested that if the activities of the KCC are for the benefit of all consumers in the state, it might be discriminatory to assess against one company, since its consumers will have to pay and other consumers will benefit. He said his company had no objection to the original bill. He said he feels the bill as amended gives the KCC a blank check to investigate anyone and anywhere it chooses. He suggested that the bill as originally introduced be passed and that Section 2 be amended out or it least be limited so that it applies only to matters in KCC jurisdiction.

Mr. Anderson agreed with Mr. Cogswell that there was no objection to HB 2497 as originally introduced, but there is objection to the amendments.

He suggested that if the KCC decides to intervene in certain cases, he would assume the intervention is on behalf of consumers in Kansas. He noted that there are some pipelines which serve only two or three small communities in Kansas, and it gets very complicated if HB 2497 in its present form should be passed.

Mr. Willoughby indicated that his pipeline on the wholesale level is not regulated by the KCC in most aspects. His company has direct sales to Peoples Natural Gas, which is regulated by the Kansas Corporation Commission. He asked if the bill before the committee would provide that the KCC can intervene at the federal level in his company's rate cases and assess them as an interstate pipeline company; and if FERC is going to allow his company to pass the assessment to other consumers.

Because of the many questions involved in HB 2497, the Chairman suggested holding the bill until a later meeting of the committee.

The meeting was adjourned by the Chairman.