

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Representative David J. Heinemann at  
Chairperson

3:30 ~~am~~/p.m. on February 27, 1984 in room 519-S of the Capitol.

All members were present ~~except~~

Committee staff present:

- Ramon Powers, Legislative Research Department
- Theresa Kiernan, Revisor of Statutes' Office
- Pam Somerville, Committee Secretary

Conferees appearing before the committee:

Final Action on HB 2927: An act concerning public utilities; relating to the valuation of property for ratemaking purposes; amending K.S.A. 66-128 and repealing the existing sections.

The Chairman called the meeting to order at 3:35 p.m. and opened the floor to committee discussion on the proposed legislation. He added that HB 2927 would authorize the State Corporation Commission to determine the reasonable value of all property of any common carrier or public utility to ascertain such value necessary to fix fair and reasonable rates, joint rates, tolls and charges. In summary, HB 2927 would allow the SCC to keep utility companies from charging consumers for all costs of new power facilities and a key section would shield consumers from absorbing expenses for excess generating capacity.

Representative Farrar expressed concern that he did not feel full consideration had taken place on the issue, in view of hearings last week, and that perhaps it (HB 2927) placed the legislature in the position of ratemaking.

Representative Barr made a motion to amend line 31 after the word "all" and inserting "or whatever fraction or percentage of the" before property. The motion was seconded by Representative Keith Roe. Representative Fox made a substitute motion to adopt the following amendments: On line 36 striking "or" and inserting "and"; on line 37 striking "the carrier's or utility's" and reinserting "its"; on line 47 striking "or" and inserting "and"; on line 49 inserting after be "commenced and"; on line 51 inserting, "The commission may require a common carrier or public utility to defer inclusion of all or any portion of the reasonable value as so determined and permit the phase-in of such value over any period of time and in such increments as it determines to be appropriate. If the commission requires a common carrier or public utility to defer the inclusion of any portion of such reasonable value and orders a phase-in of such value, it may exclude the carrying or finance costs incurred after the date of its determination and throughout the period of any deferral or phase-in as so ordered. In line 57 after ...evaluate the by inserting "efficiency or"; on line 58 by striking "and operation" and inserting "or operating"; On line 60 by striking "or operation" and inserting "or operating," On line 61 after lack of by inserting "efficiency or". Striking lines 65 through 70 and striking "electric generating" on line 71. Inserting capacity on line 72 and deleting the word "amount". On line 73 deleting "reasonably necessary" and inserting used and required to be used"; on line 76 and 77 deleting "electric generating". On line 78, inserting New Section "3"; on line 79 deleting the and inserting "a"; deleting "with" on line 80 and all of lines 0081, 0082 and the words "et seq. and amendments thereto" on line 83. On line 84 inserting "or"

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.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources,  
room 519-S, Statehouse, at 3:30 ~~xxx~~/p.m. on February 27, 1984

between reasonably, prudently. Deleting all of New Section 5 and New Section 6. Inserting New Section 4 on line 0129; inserting "and" and deleting "or" on line 0131. On line 0138 deleting "such" and inserting "the". On line 0142 deleting everything after finance costs and inserting "so excluded. Nothing contained in this act shall limit the commission's authority to adjust revenue requirements of any common carrier or public utility if the commission determines the revenue requirement requested is either a return of or a return on cost which results from inefficiency or lack of prudence." On line 0146 inserting New Section "4"; on line 0152 inserting Section 5; on line 0153 inserting Section "7". Representative Grotewiel seconded the motion.

Representative Farrar asked Representative Fox why the language was needed to broaden authority. Representative Fox replied that problems had occurred and it was on a statewide basis. Several committee members expressed concern about the definition of "excess capacity". Representative Fox stated that the purpose of the legislation was to help KCC determine how "excess capacity" would be allowed in rates.

A voice vote was taken on the motion; the yays appeared to rule. A division was called for. On hand count, nine members voted in favor and eight members voted against. Motion adopted.

Representative Farrar moved to strike "operation" in line 131. Representative Acheson seconded the motion.

Representative Fox opposed the motion and asked to be recorded as such.


A voice vote was taken on the motion. The nays appeared to rule. A division was called for. On hand vote, nine members voted in favor and eleven against. Motion failed.

Representative Fox moved to recommend HB 2927 favorable for passage as amended. Representative Fry seconded the motion. Motion passed. Representatives Patterson, Farrar, and Niles requested to be recorded as voting "no" on the bill.

In closing remarks, Chairman Heinemann thanked the committee and conferees for their indulgence during the long deliberations of the hearings today and the past week.

There being no further business before the committee, the meeting was adjourned at 4:25 p.m.

The next meeting of the House Energy and Natural Resources Committee will be Tuesday, February 28, 1984 at 3:30 p.m. in Room 519-S.

  
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Representative David J. Heinemann,  
Chairman