

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Sen. Bill Morris at  
Chairperson

9:00 a.m. ~~p.m.~~ on March 7, 1986 in room 254-E of the Capitol.

All members were present ~~except~~.  
Sen. Doyen was excused.

Committee staff present:

- Arden Ensley, Revisor of Statutes
- Ben Barrett, Legislative Research Department
- Hank Avila, Legislative Research Department
- Louise Cunningham, Secretary

Conferees appearing before the committee:

- Sen. R. Frey
- Roger Kuntz, Ag Enterprises, Grainfield
- Richard D. Kready, KPL Gas Service
- Jerry Coonrod, Kansas Gas and Electric Co.
- Daniel R. McGee, Centel Corporation, Great Bend
- Dick Compton, Midwest Energy, Inc.
- Bob Phillips, Kansas Electric Cooperatives
- Sen. Jeanne Hoferer
- Dr. Carl Fyler, Topeka

ACTION ON S.B. 626 - Registration of county owned or leased vehicles.

Arden Ensley had amendments to this bill (Att. 1) which he said would do what the author had intended to do. The author had originally asked for the cities and counties to be issued plates such as the state is issued. The state is now paying full price for their tags. This is more than the cities and counties are now paying. Mr. Ensley said he amended the bill to do away with re-registering every year, which was the original intent. It would now be a permanant registration and the vehicle would not have to be registered again until it was disposed of.

Harold Turntine, Department of Revenue, said the only problem he could see was with the computers. They presently have 17,000 vehicles that would be affected by this.

A motion was made by Sen. Frey and was seconded by Sen. Vidricksen to adopt the amendments. Motion carried.

A motion was made by Sen. Vidricksen and was seconded by Sen. Hoferer to recommend S.B. 626 as amended, favorably for passage. Motion carried.

HEARING ON S.B. 235 - Parallel generation service contracts.

Sen. Frey said he had had many discussions with Mr. Roger Kuntz on this subject and he asked Mr. Kuntz to appear before the committee to present the needs and frustrations of people trying to generate wind power in the state of Kansas.

Mr. Roger Kuntz, Ag Enterprises, Grainfield, spoke of his small business and the success they had because they supplied their own power with a wind-mill. They are expensive and costly to maintain. They are their own little power company. They are pollution-free and keeps Kansas competitive in world markets. He said he employs 10 to 15 people. He said 15 months ago their payback was reduced from 6¢ to 1.6¢ per KWH. Tax credits have also been taken off. He feels he always gets a discouraging response from KCC. Other states have good programs with Texas leading the way. Mr. Kuntz submitted a packet containing correspondence dealing with this problem. (Att. 2).

OPPONENTS:

Richard D. Kready, KPL Gas Service, spoke in opposition to S.B. 235

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 SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,  
room 254-E, Statehouse, at 9:00 a.m./~~p.m.~~ on March 7, 1986

and said it would be unfair to subsidize utility rates for those who can afford parallel generation systems at the expense of other less fortunate customers. He said rates are designed to recover all of the utility costs which include power plant capacity, fuel, lines losses, office buildings, salaries, etc. A copy of his statement is attached. (Att. 3).

Jerry Coonrod, Kansas Gas and Electric Co., said there is no assurance that windmills could supply power at peak times. The meters also are not completely accurate and they oppose S.B. 235. A copy of his statement is attached. (Att. 4).

Daniel R. McGee, Centel Corporation, said the people with windmills would still need to purchase power when the wind did not blow and they did not feel they should be forced to pay anything but the avoided fuel cost. A copy of his statement is attached. (Att. 5).

Dick Compton, Midwest Energy, Inc., had a drawing showing how their meters were set up and also an analysis of wind energy systems. (Att. 6). He said they were in sympathy with the people who have invested in windmills. The investment is not a good one. He said they are asking his company to pay for something they do not receive and that is capacity. One major concern is that it could encourage more windmills to be installed. Midwest cannot afford any more.

Bob Phillips, REC, said this bill would be asking for a subsidy. He said other sources might be encouraged to generate power such as gas wells and this would not benefit consumers.

Randy Burluson, Empire Distric Electric Company, submitted a letter dated March 6, 1986 expressing opposition to S.B. 235. A copy is attached. (Att. 7).

HEARING ON S.B. 460 - Providing license plates for surviving spouses of former POWs.

Sen. Hoferer said these plates are a source of pride and by giving the plates to a surviving spouse it would be something small Kansas could do for ex-POWs.

Dr. Carl Fyler, Topeka, ex-POW, thanked the legislators for giving them the tags in the last session and expressed how important it was to them. He spoke of the decline in quality of life experienced by many ex-POWs and how they wanted to do this for their spouses.

Sen. Morris said it had been a long standing policy of the Senate Transportation Committee to not issue any additional free license tags but last year he offered the amendment to give them the tags because it seemed to mean so much to them and they were so deserving; however, he felt this was too soon to be back asking for tags for their spouses as the spouses were not ex-POWs and were not entitled to the tags.

Dr. Fyler said the tags for the spouses had been in the original bill and Kansas was the 35th state to give the ex-POWs the tags.

Meeting was adjourned at 10:05 a.m.

SENATE TRANSPORTATION AND UTILITIES COMMITTEE

Date 3-7-84 Place 554-E Time 900

GUEST LIST

NAME

ADDRESS

ORGANIZATION

DAN MCGEE GREAT BEND CENTEL/WESTERN POWER

Bob Phillips Topeka KEC

JEFF COOPER " KGE

DICK COMPTON HAYS MIDWEST ENERGY, INC.

Richard D. Kready Topeka KPL Gas Service

LARRY L. HARBOD TOPEKA KCC

Roger Kuntz Grainfield Ks Manufacturer.

Marguerite Dyke Topeka, Ks guest

Raymond F. Veesart Topeka EX-POW

DR. Carl Tyler Topeka EX-POW

Albert Stahl Holton X-POW

SENATE BILL No. 626

By Senator Ehrlich

2-12

ATT. ①

0017 AN ACT concerning motor vehicles; ~~registration of county~~  
0018 ~~owned or leased vehicles.~~

relating to the registration of county and city owned vehicles; amending K.S.A. 1985 Supp. 8-143 and repealing the existing section

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 ~~Section 1. (a) Annually every board of county commissioners~~  
0021 ~~shall provide for transfer of moneys from the county general fund~~  
0022 ~~to a fund the moneys of which are to be used for construction of~~  
0023 ~~roads or bridges in an amount determined by it to be equal to the~~  
0024 ~~sum of the annual vehicle registration fees for each vehicle~~  
0025 ~~owned or leased by the county or any county agency, less the~~  
0026 ~~sum of all registration fees paid as authorized under subsection~~  
0027 ~~(c). Except as is provided in this section, no vehicle registration~~  
0028 ~~fee shall be paid for any county owned or leased vehicle.~~

Section 1. K.S.A. 1985 Supp. 8-143 is hereby amended to read as follows:

0029 (b) Annually each county agency having one or more county  
0030 owned or leased vehicles shall pay to the county treasury, for  
0031 credit to the county general fund, an amount equal to the sum of  
0032 the annual vehicle registration fees for all such vehicles of such  
0033 county agency, less the sum of all registration fees paid as  
0034 authorized under subsection (c). Such payments shall be made in  
0035 accordance with procedures therefor prescribed by the state  
0036 director of accounts and reports.

**8-143. Annual registration or license fees, motor vehicles, trailers, semitrailers, motorized bicycles, mobile homes and travel trailers; municipal vehicles, fees; "gross weight" defined; local trucks and truck tractors, rules and regulations, refunds, exemptions; penalties; temporary registration; registration after nonoperation or nonuse; mobile homes and travel trailers, nonhighway use. (1) All applications for the registration of motorcycles, motorized bicycles and passenger vehicles other than trucks and truck tractors, except as otherwise provided, shall be accompanied by an annual license fee as follows: For motorized bicycles, \$5; for motorcycles, \$10; for passenger vehicles, other than motorcycles, used solely for the carrying of persons for pleasure or business, and for hearses and ambulances a fee of (i) \$13 for those having a gross weight of 3,000 pounds or less; (ii) \$16.25 for those having a gross weight of more than 3,000 pounds and less than 4,000 pounds; (iii) \$19.50 for those having a gross weight of 4,000 pounds and not more than**

0037 (c) Regular vehicle registration fees may be paid for county  
0038 owned or leased vehicles and regular license plates issued for  
0039 such vehicles which are to be made available for investigative or  
0040 law enforcement work, the same to be purchased by such county  
0041 agency from the county treasurer.

0042 (d) The amount to be paid for registration and license plates  
0043 of county owned or leased vehicles shall be as prescribed by  
0044 ~~K.S.A. 8-143 and amendments thereto.~~

0045 Sec. 2. This act shall take effect and be in force from and  
0046 after January 1, 1987, and its publication in the statute book.

Attch. 1  
S. TRU 3/7/86

4,500 pounds; and (iv) \$26 for those having a gross weight of more than 4,500 pounds; for each electrically propelled motor vehicle, except electrically propelled vehicles intended for the purpose of transporting any commodity, goods, merchandise, produce or freight, or passengers for hire, a fee of \$6.50. The annual registration fee for each motor vehicle, trailer or semitrailer owned by any political or taxing subdivision of this state for by any agency or instrumentality of any one or more political or taxing subdivisions of this state and used exclusively for governmental purposes and not for any private or utility purposes, which is not otherwise exempt from registration, shall be \$2.

, other than a county or city,

of such

(2) As used in this subsection, the term "gross weight" shall mean and include the empty weight of truck, or of combination of truck or truck tractor and any type trailer or semitrailer, plus the maximum weight of cargo which will be transported on or with the same, except that when the empty weight of a truck plus the maximum weight of cargo which will be transported thereon is 12,000 pounds or less, "gross weight" shall not include the weight of any travel trailer propelled thereby which is being used for private recreational purposes. The gross weight license fees hereinafter prescribed shall only apply to the truck or truck tractor used as the propelling unit for the cargo and vehicle propelled, either as a single vehicle or combination of vehicles. On application for the registration of a truck or truck tractor, the owner thereof shall declare as a part of such application the maximum gross weight said owner desires to be applicable to such vehicle, which declared gross weight in no event shall be in excess of the limitations described by K.S.A. 8-1908 and 8-1909 and amendments thereto, for such vehicle or combination of vehicles of which it will be a part. All applications for the registration of trucks or truck tractors, except as otherwise provided herein, shall be accompanied by an annual license fee as follows:

The registration of motor vehicles, trailers and semitrailers owned by counties and cities of this state or by an agency or instrumentality of any one or more counties or cities of this state which are used exclusively for governmental purposes and not for any private or utility purposes and which is not otherwise exempt from registration shall be a permanent registration. The fee for such registration shall be \$2, and shall be assessed at the time fixed for the registration of such vehicles next following the effective date of this act upon all vehicles owned by counties and cities upon such date and at the time of acquisition of all vehicles acquired by counties and cities thereafter. All sales and dispositions of vehicles permanently registered hereunder shall be reported to the division upon forms prescribed by the secretary of revenue.

For a gross weight of 12,000 lbs. or less	\$25
For a gross weight of more than 12,000 lbs. and not more than 16,000 lbs. . .	75
For a gross weight of more than 16,000 lbs. and not more than 20,000 lbs. . .	100
For a gross weight of more than 20,000 lbs. and not more than 24,000 lbs. . .	150
For a gross weight of more than 24,000 lbs. and not more than 30,000 lbs. . .	235

For a gross weight of more than 30,000 lbs. and not more than 36,000 lbs. . .	285
For a gross weight of more than 36,000 lbs. and not more than 42,000 lbs. . .	360
For a gross weight of more than 42,000 lbs. and not more than 48,000 lbs. . .	460
For a gross weight of more than 48,000 lbs. and not more than 54,000 lbs. . .	615
For a gross weight of more than 54,000 lbs. and not more than 60,000 lbs. . .	765
For a gross weight of more than 60,000 lbs. and not more than 66,000 lbs. . .	915
For a gross weight of more than 66,000 lbs. and not more than 74,000 lbs. . .	1,175
For a gross weight of more than 74,000 lbs. and not more than 80,000 lbs. . .	1,325
For a gross weight of more than 80,000 lbs. and not more than 85,500 lbs. . .	1,475

If the applicant for registration of any truck or truck tractor for a gross weight of more than 12,000 pounds is the state of Kansas or any political or taxing subdivision or agency of the state, whose truck or truck tractor is not otherwise entitled to the \$2 license fee or otherwise exempt from all fees, said vehicle may be licensed for a fee in accordance with the schedule hereinafter prescribed for local trucks or truck tractors.

If the applicant for registration of any truck or truck tractor for a gross weight of more than 12,000 pounds shall under oath state in writing on a form prescribed and furnished by the director of vehicles that the applicant does not expect to operate it more than 6,000 miles in the calendar year for which the applicant seeks registration, and that if the applicant shall operate it more than 6,000 miles during such registration year such applicant will pay an additional fee equal to the fee required by the preceding schedule, less the amount of the fee paid at time of registration, said vehicle may be licensed for a fee in accordance with the schedule hereinafter prescribed for local trucks or truck tractors; and whenever the same is registered on a local truck or truck tractor fee basis a tab or marker shall be issued in connection with the regular license plate, which tab or marker shall be attached or affixed to and displayed with the regular license plate and the failure to have the same attached, affixed or displayed shall be subject to the same penalties as provided by law for the failure to display the regular license plate; and the secretary of revenue may adopt rules and regulations requiring the owners of trucks and truck tractors so registered on a local truck or truck tractor

fee basis to keep such records and make such reports of mileage of such vehicles as the secretary of revenue shall deem proper.

A transporter delivering vehicles not said transporter's own by the driveaway method where such vehicles are being driven, towed, or transported singly, or by the saddle mount, towbar, or fullmount methods, or by any lawful combination thereof, may apply for license plates which may be transferred from one such vehicle or combination to another for each delivery without further registration, and the annual license fee for such license plate shall be as follows:

For the first such set of license plates . . .	\$39
For each additional such set of license plates . . . . .	13

A truck or truck tractor registered for a gross weight of more than 12,000 pounds, which is operated wholly within the corporate limits of a city or village or within a radius of 25 miles beyond the corporate limits, shall be classified as a local truck except that in no event shall such vehicles operated as contract or common carriers outside a radius of three miles beyond the corporate limits of the city or village in which such vehicles were based when registered and licensed be considered local trucks or truck tractors. The secretary of revenue is hereby authorized and directed to adopt rules and regulations prescribing a procedure for the issuance of permits by the division of vehicles whereby owners of local trucks or truck tractors may operate any such vehicle, empty, beyond the radius hereinbefore prescribed, when such operation is solely for the purpose of having such vehicle repaired, painted or serviced or for adding additional equipment thereto. The annual license fee for a local truck or truck tractor, except as otherwise provided herein, shall be as follows:

For a gross weight of more than 12,000 lbs. and not more than 16,000 lbs. . .	\$47
For a gross weight of more than 16,000 lbs. and not more than 20,000 lbs. . .	75
For a gross weight of more than 20,000 lbs. and not more than 24,000 lbs. . .	100
For a gross weight of more than 24,000 lbs. and not more than 30,000 lbs. . .	135
For a gross weight of more than 30,000 lbs. and not more than 36,000 lbs. . .	160
For a gross weight of more than 36,000 lbs. and not more than 42,000 lbs. . .	185
For a gross weight of more than 42,000 lbs. and not more than 48,000 lbs. . .	235

For a gross weight of more than 48,000 lbs. and not more than 54,000 lbs. . .	315
For a gross weight of more than 54,000 lbs. and not more than 60,000 lbs. . .	360
For a gross weight of more than 60,000 lbs. and not more than 66,000 lbs. . .	440
For a gross weight of more than 66,000 lbs. and not more than 74,000 lbs. . .	575
For a gross weight of more than 74,000 lbs. and not more than 80,000 lbs. . .	675
For a gross weight of more than 80,000 lbs. and not more than 85,500 lbs. . .	775

A truck or truck tractor registered for a gross weight of more than 12,000 pounds, which is owned by a person engaged in farming and which truck or truck tractor is used by such owner to transport agricultural products produced by such owner or commodities purchased by such owner for use on the farm owned or rented by the owner of such farm truck or truck tractor, shall be classified as a farm truck or truck tractor and the annual license fee for such farm truck shall be as follows:

For a gross weight of more than 12,000 lbs. and not more than 16,000 lbs. . .	\$25
For a gross weight of more than 16,000 lbs. and not more than 20,000 lbs. . .	30
For a gross weight of more than 20,000 lbs. and not more than 24,000 lbs. . .	42
For a gross weight of more than 24,000 lbs. and not more than 54,000 lbs. . .	62
For a gross weight of more than 54,000 lbs. and not more than 60,000 lbs. . .	150
For a gross weight of more than 60,000 lbs. and not more than 66,000 lbs. . .	300
For a gross weight of more than 66,000 lbs. . . . .	500

A vehicle licensed as a farm truck or truck tractor may be used by the owner thereof to transport, for charity and without compensation of any kind, commodities for religious or educational institutions. A truck which is licensed as a farm truck may also be used for the transportation of sand, gravel, slag stone, limestone, crushed stone, cinders, black top, dirt or fill material to a township road maintenance or construction site of the township in which the owner of such truck resides. Any applicant for registration of any farm truck or farm truck tractor used in combination with a trailer or semitrailer shall register the farm truck or farm truck tractor for a gross weight which shall include the empty weight of the truck or truck tractor or of the combination of any truck or truck tractor and any type of trailer or semitrailer, plus the maximum weight of

cargo which will be transported on or with the same. The applicant for registration of any farm truck or farm truck tractor used to transport a gross weight of more than 54,000 pounds shall durably letter on the side of the motor vehicle the words "farm vehicle—not for hire." If an applicant for registration of any farm truck or farm truck tractor operates such vehicle for any use or purpose not authorized for a farm truck or farm truck tractor, such applicant shall pay an additional fee equal to the fee required for the registration of all trucks or truck tractors not registered as local, 6,000-mile or farm truck or farm truck tractor motor vehicles, less the amount of the fee paid at time of registration. Nothing in this or the preceding paragraph shall authorize a gross weight of a vehicle or combination of vehicles on the national system of interstate and defense highways greater than permitted by laws of the United States congress.

Except as hereinafter provided, the annual license fee for each local urban transit bus used in local urban transit operations exempted under the provisions of subsection (a) of K.S.A. 66-1,109 and amendments thereto, shall be based on the passenger seating capacity of the bus and shall be as follows:

8 or more, but less than 31 passengers	\$15
31 or more, but less than 40 passengers	30
More than 39 passengers . . . . .	60

except that the annual license fee for each local urban transit bus which is owned by a metropolitan transit authority established pursuant to articles 25 and 28 of chapter 12 or pursuant to article 31 of chapter 13 of the Kansas Statutes Annotated shall be \$2.

For licensing purposes, station wagons with a carrying capacity of less than 10 passengers shall be subject to registration fees based on the weight of the vehicles, as provided in subsection (1). Station wagons with a carrying capacity of 10 or more passengers shall be subject to the truck classifications and license fees therefor shall be as herein provided:

(a) For any trailer, semitrailer, mobile home, travel trailer or pole trailer the annual license fee shall be as follows: For any such vehicle with a gross weight of more than 12,000 pounds the annual fee shall be \$25; any such vehicle grossing more than 8,000 pounds but not over 12,000 pounds,

the annual fee shall be \$15; for such vehicle grossing more than 2,000 pounds but not over 8,000 pounds, the annual fee shall be \$10. Any such vehicle having a gross weight of 2,000 pounds or less may, at the owner's option, be registered and the fee for such registration shall be \$10.

Any trailer, semitrailer, mobile home or travel trailer owned by a nonresident of this state and based in another state, which is properly registered and licensed in the state of residence of the owner or in the state where based, may be operated in this state without being registered or licensed in this state if the truck or truck tractor propelling the same is properly registered and licensed in this state, or is registered and licensed in some other state and is entitled to reciprocal privileges of operation in this state, but this provision shall not apply to any trailer or semitrailer owned by a nonresident of this state when such trailer or semitrailer is owned by a person who has proportionately registered and licensed a fleet of vehicles under the provisions of K.S.A. 8-1,101 to 8-1,123, inclusive, and amendments thereto, or under the terms of any reciprocal or proration agreement made pursuant thereto. A farm trailer used in carrying not more than 6,000 pounds owned by a person engaged in farming, which trailer is used exclusively by the owner to transport agricultural products produced by such owner or commodities purchased by the owner for use on the farm owned or rented by the owner of such trailer, shall not be subject to the registration and registration fees prescribed by this act for trailers, and the weight of any such farm trailer, plus the cargo weight of 6,000 pounds or less, shall not be considered in determining the gross weight for which the truck or truck tractor propelling the same shall be registered. Any nonself-propelled vehicle used and designed for applying fertilizers to the soil or for picking up and transporting hay or forage from a field to a storage area or from a storage area to a feedlot, which is only incidentally moved or operated upon the highways, shall not be subject to registration and registration fees prescribed by this act for trailers.

(b) Any truck or truck tractor having a gross weight of 4,000 pounds or over, using solid tires, shall pay a license fee of double the amount herein charged. The annual fees

provided for trucks, truck tractors and trailers not subject to K.S.A. 8-134a and amendments thereto, shall be due January 1 of each year and payable on or before February 15 in each year. If said fee is not paid by said date a penalty of \$1 shall be added to the fee charged herein for each month or fraction thereof and until December 31 of each registration year. The annual registration fee for all passenger vehicles and vehicles subject to K.S.A. 8-134a and amendments thereto, shall be due on or before the last day of the month in which the registration plate expires and shall be due for other vehicles as provided by K.S.A. 8-134 and amendments thereto. If the registration fee is not paid by said date a penalty of \$1 shall be added to the fee charged herein for each month or fraction thereof until such registration fee is paid. Members of the armed forces of the United States shall be permitted to apply for registration at any time and be subject to registration fee, less penalties, applicable at the time the application is made. If any motorcycle, motorized bicycle, trailer, semitrailer, mobile home, travel trailer, or pole trailer is either purchased or acquired after the anniversary or renewal date in any registration year there shall immediately become due and payable a registration fee as follows: If purchased or acquired between the anniversary or renewal date of any registration year and the first six months of such registration year, the annual fee hereinbefore provided; if purchased or acquired during the last six months of any registration year, 50% of such annual fee. If any truck or truck tractor, except trucks subject to K.S.A. 8-134a and amendments thereto, is purchased or acquired prior to April 1 of any year the fee shall be the annual fee hereinbefore provided, but if such truck or truck tractor is purchased or acquired after the end of March of any year, the license fee for such year shall be reduced 1/12 for each calendar month which has elapsed since the beginning of the year. If any truck registered for a gross weight of 12,000 pounds or less or passenger vehicle is purchased or acquired and less than 12 months remain in the registration period, the fee shall be 1/12 of the annual fee for each calendar month remaining in the registration period.

(c) The owner of any motorcycle, motorized bicycle, passenger vehicle, truck,



truck tractor, trailer, semitrailer, or electrically propelled vehicle who fails to pay the registration fee or fees herein provided on the date when the same become due and payable shall be guilty of a misdemeanor, and upon conviction thereof shall be subject to a penalty in the sum of \$1 for each month or fraction thereof during which such fee has remained unpaid after it became due and payable; and in addition thereto shall be subject to such other punishment as is provided in this act. Upon the transfer of motorcycles, motorized bicycles, passenger vehicles, trailers, semitrailers, trucks or truck tractors, on which registration fees have been paid for the year in which the transfer is made, either (A) to a corporation by one or more persons, solely in exchange for stock or securities in such corporation, or (B) by one corporation to another corporation when all of the assets of such corporation are transferred to the other corporation, then in either case (A) or case (B) the corporation shall be exempt from the payment of registration fees on such vehicles for the year in which such transfer is made. Applications for transfer or registration shall be accompanied by a fee of \$1.50. When the registration of a vehicle has expired at midnight on the last day of any registration year, and such vehicle is not thereafter operated upon the highways, any application for renewal of registration made subsequent to the anniversary or renewal date of any registration year following the expiration of such registration and for succeeding registration years in which such vehicle has not been registered shall be accompanied by an affidavit of nonoperation and nonuse, and such application for renewal or registration shall be received by the division of vehicles upon payment of the proper fees for the current registration year and without penalty.

(3) Any nonresident of Kansas purchasing a vehicle from a Kansas resident and desiring to secure registration on the vehicle in the state of such person's residence may make application in the office of any county treasurer for a thirty-day temporary registration. The county treasurer upon presentation of evidence of ownership in the applicant and evidence the sales tax has been paid, if due, shall charge and collect a fee of \$2 for each thirty-day temporary license and issue a sticker or paper registra-

tion as may be determined by the director of vehicles, and the registration so issued shall be valid for a period of 30 days from the date of issuance.

(4) Any owner of any motor vehicle which is subject to taxation under the provisions of article 51 of chapter 79 of the Kansas Statutes Annotated or any other truck or truck tractor where the annual registration fee has been paid and the vehicle is sold, junked, repossessed, foreclosed by a mechanic's lien or title transferred by operation of law, and the registration thereon is not going to be transferred to another vehicle may secure a refund for the registration fee for the remaining portion of the year by making application to the division of vehicles on a form and in the manner prescribed by the director of vehicles, accompanied by all license plates and attachments issued in connection therewith. If the owner of the registration becomes deceased and the vehicle is not going to be used on the highway, and title is not being currently transferred, the proper representative of the estate shall be entitled to the refund. The refund shall be made only for the period of time remaining in the registration year from the date of completion and filing of the application with and delivery of the license plate and attachments to the division of vehicles. Where the registration is secured under a quarterly payment annual registration fee, as provided for in K.S.A. 8-143a and amendments thereto, such refund shall be made on the quarterly fee paid and unused and all remaining quarterly payments shall be canceled. Any truck or truck tractor having the registration fee paid on quarterly payment basis, all quarterly payments due or a fraction of quarterly payment due shall be paid before title may be transferred, except that in case of death, the filing of the application and returning of the license plate and attachment shall cancel the remaining annual payments due. Whenever a truck or truck tractor, where the registration is secured on a quarterly payment of the annual registration, the one repossessing the truck or truck tractor, or foreclosing by a mechanic's lien, or securing title by court order, the mortgagor or the assigns of the mortgagor, or the one securing title may pay the balance due on date of application for title, but the payments for the remaining portion of the year shall not be canceled

unless application is made and the license plate and attachments are surrendered. Nothing in this subsection shall apply when registration is secured under the provisions of K.S.A. 8-1,101 to 8-1,123, inclusive, and amendments thereto. Notwithstanding any of the foregoing provisions of this section, no refund shall be made under the provisions of this section where the amount thereof does not exceed \$5. The division of vehicles shall furnish such blank forms as may be required under the provisions of this subsection as it deems necessary to be completed by the applicant. Whenever a registration which has been secured on a quarterly basis shall be canceled as provided in this subsection, the division of vehicles shall notify the county treasurer issuing the original registration of such cancellation so that the county treasurer may, and the county treasurer shall cancel the registration of such vehicle in the county treasurer's office and release any lien issued in connection with such registration.

(5) Every owner of a mobile home or travel trailer designed for or intended to be moved upon any highway in this state shall, before the same is so moved, apply for and obtain the proper registration thereof as provided in this act, except when such unit is permitted to be moved under the special provisions relating to secured parties, manufacturers, dealers and nonresidents contained in this act. At the time of registering any mobile home or travel trailer for the purpose of moving any such vehicle upon any highway in this state, the owner thereof shall indicate on the registration form whether or not such vehicle is being moved permanently to a location outside of the county in which such vehicle is being registered. No such vehicle which the owner thereof intends to move to a permanent location outside the boundaries of such county shall be registered for movement on the highways of this state until all taxes levied against such vehicle have been paid. A copy of such registration form shall be sent to the county clerk or assessor of the county to which such vehicle is being moved. When such mobile home or travel trailer is used for living quarters and not operated on the highways, the owner shall make application for nonhighway registration and the annual fee in this case shall be

\$2; and such owner shall be exempt from the license fees as provided in paragraph (a) of subsection (2) so long as such mobile home or travel trailer is not operated on the highway. If the owner of a mobile home also owns the land where such vehicle is located, or where such vehicle is placed on a permanent foundation, and where such owner has registered such vehicle with the county clerk for real estate tax purposes in the county where located, then no registration under this act shall be required. The director of vehicles shall design such nonhighway registration forms to be used as provided in K.S.A. 8-129 and amendments thereto. The division of vehicles shall furnish a license plate of a distinctive type to the owner of every mobile home or travel trailer registering the same for nonhighway purposes under the provisions of this act. The license plate shall be displayed in a conspicuous place on each such vehicle in accordance with rules and regulations adopted by the secretary of revenue relating thereto. The nonhighway forms shall be an additional copy of the registration receipt and the owner of the mobile home or travel trailer shall retain one copy of the registration receipt in the vehicle at all times. The receipt shall contain the same information as the director of vehicles deemed necessary for purpose of registration and shall be validated by the county treasurer at the time of application. The issuance of such nonhighway registration shall be subject to the provisions of K.S.A. 8-173 and amendments thereto, and other sections of this act providing for the titling and registering of all vehicles; and when the owner of a mobile home or travel trailer, registered for nonhighway use, disposes of the unit and acquires another mobile home or travel trailer, and the owner does not intend to operate it on the public highways, the owner shall transfer the nonhighway registration to the newly acquired vehicle in the same manner provided in K.S.A. 8-135 and amendments thereto. The provisions of K.S.A. 8-153 and amendments thereto shall be deemed to include all vehicles as defined in K.S.A. 8-126 and amendments thereto.

History: L. 1929, ch. 81, § 21; L. 1933, ch. 73, § 1; L. 1943, ch. 79, § 3; L. 1945, ch. 88, § 1; L. 1949, ch. 101, § 1; L. 1953, ch. 39, § 1; L. 1955, ch. 47, § 3; L. 1955, ch. 294, § 3;

L. 1956, ch. 48, § 2; L. 1957, ch. 57, § 4; L.  
1961, ch. 49, § 2; L. 1962, ch. 31, § 1; L.  
1963, ch. 50, § 1; L. 1965, ch. 61, § 1; L.  
1968, ch. 411, § 4; L. 1969, ch. 47, § 2; L.  
1970, ch. 47, § 1; L. 1973, ch. 26, § 1; L.  
1974, ch. 35, § 7; L. 1975, ch. 33, § 2; L.  
1976, ch. 43, § 1; L. 1976, ch. 42, § 1; L.  
1977, ch. 28, § 2; L. 1978, ch. 30, § 2; L.  
1981, ch. 36, § 3; L. 1983, ch. 29, § 3; L.  
1984, ch. 31, § 2; L. 1984, ch. 32, § 1; L.  
1984, ch. 33, § 1; L. 1985, ch. 43, § 8; July 1.

## ELECTRICITY CHART

DATE METERS READ	(KWH) PURCHASED METER	(KWH) WIND METER	(KWH) BUYBACK METER	AMOUNT WE PAID	AMOUNT REFUND
09-09-84	00427 427		00560 560	\$59.72	\$27.78
10-15-84	00698 271		01220 660	47.22	34.54
11-20-84	01450 752	03712	02194 974	30.56	50.41
12-19-84	01893 443	05210	03039 845	68.11	43.64
01-19-85	02384 491	07122	03971 932	44.57	52.61
02-20-85	03073 689	08332	04566 595	51.08	26.45
03-17-85	03573 500	09525	05233 667	66.51	27.75
04-18-85	04120 537	11058	05996 763	49.94	32.95
05-18-85	04665 545	12225	06522 526	52.70	24.26
06-18-85	05584 919	13323	06992 470	54.70	21.00
07-15-85	06316 732	14447	07494 502	92.67	22.72
08-20-85	07022 706	15663	08087 593	83.40	33.03
09-17-85	07445 423	16865	08742 655	83.11	** -0-
10-15-85	07765 320	18083	09454 712	52.42	6.40
11-19-85	08374 609	19282	10024 570	36.66	11.60
12-20-85	09122 748	20390	10530 506	61.30	9.59
01-17-86	09613 491	21785	11078 548	72.22	8.95
02-21-86	10274 661	23162	11623 545	48.27	9.23

\*\* RECEIVED LETTER STATING THEY HAVE BEEN OVERPAYING US.  
 x Kilowatts we purchase from Western

S. T. U 3/7/86 ATT (2)



WESTERN COOP. ELECT. ASSN.  
 BOX 278 TEL# 913 743-5561  
 WAKEENEY, KS. 67672

SERVICE TO 1/15/86

LAST READING 9613 PREVIOUS READING 9122

KWH USED	RATE CL	CURRENT CHARGES
491	2	52.74

EQUITY & SERVICE NO.	CODE*	OTHER CHGS. OR CR.
K 23001 1228106	1	4.95 CR
METER NO. 3531	5	.48
POWER & FUEL FACTOR .01009000		
MULTIPLIER		
K.W. DEMAND		

PAYMENT MUST BE RECEIVED BY 3/05/86 OR DELINQUENT CHARGES APPLY

48.27 TOTAL

\*SEE REVERSE SIDE

# Ag Enterprises

Route 1 Box 69

Granfield, Kansas 67737

913/673 4728

ATTN: SENATORS

Feb. 24, 1986

John Carlin Office  
Denice Everhart  
2nd Floor Capitol Building  
Topeka, Ks. 66612

Dear Denise,

I am compelled to notify you of a grave injustice that needs immediate attention. The injustice I speak of is that we, the wind generator owners of Kansas, are being dealt blow by blow cuts in payback for electricity we send back to the utility company. Kansas has a powerful resource, the wind. A few daring people have invested over \$20,000 to \$140,000 per unit to capture this wind and put it to work. This power is used for eco-irrigation, grain drying, heating, cooling and in our case, manufacturing. We in Western Kansas have the highest electric rates in the nation. In our case, economical electric production gives us an edge against our foreign competitors, provides jobs, and in turn community growth. I don't have to tell you what economic conditions are like out here in rural Western Kansas.

Here is the short version of what is going on. ( I would gladly give you written accounts of how underhandedly this was all carried out). We were receiving about 5.6¢ per kilowatt for electricity returned to our utility, Western Coop Electric Assn. of Wakeeney. Then about 6 months ago a 1.6¢ payment was ordered. We are paying Western Coop 11¢ for power we buy from them. This 1.6¢ is the same as stealing our power. The utilities and KCC say that a Kansas Supreme Court ruling in a lawsuit by Kansas City Power & Light Co. has allowed this to occur. If I were a utility, I would enjoy buying at 1.6¢ and selling at 11¢ myself! Who in their right senses could live with their own conscience and allow this tariff to be imposed on the little power companies, which is what we are? You are not only allowing injustice, you are stifling growth of a Kansas wind, ag, and manufacturing industry. Texas and 10 other states have seen this manipulation and have passed state laws for "net billing." This is what Kansas needs. I understand there is a senate bill #235 that will accomplish this. Take note and put some push to it. We have put our employees and business on hold as we await the decision of this bill. Our alternative is to move our production to Texas, but many other owners aren't as moveable as we are. Something has got to happen and I hope this memo is the starting force to recognize the problem and take action.

Best wishes to you!

*Roger Kuntz*

ATT (2)  
S.T.H. 3/7/86

March 6, 1986

## Special Note Of Information To Understand The Wind Energy Production And Payback Crisis

A little background to people who do not have wind generators is in order. The winds in Western Kansas are extremely favorable and make it possible to make owning a wind generator feasible. The power is very clean, pollutant free and it is a way of taking the high winds of Kansas and making them an asset to industry, irrigation, agriculture and other facets of the economy.

The wind works well in conjunction with the peak loads that the power companies receive. For instance, a power company may say, "But does the wind produce the power when we need the power?" I say, yes, this is why. You will always notice that the winds come up during the daytime when the sun causes uneven heating and cooling of the ground thus causing wind. Production and usage of energy occurs during the daytime hours along with the higher wind speeds. At night, when wind speeds go down, output also goes down, so it is not interfering with their necessary capacity requirements that must be maintained.

In order to make wind generated electricity feasible after purchasing a unit, the excess power that is generated must be able to be sold at a fair and marketable price. Right now the situation in Kansas is that we have excess power capacity. However, in the long run, it is very possible that there may be a day when we need the wind generators to help support necessary extra power production. Whether it is or whether it is not needed now, we should prepare for this future by allowing the fragile wind industry to grow and not stifle. The biggest cause for the wind generator owners to cease to exist is going to be the loss of a fair payback rate from excess power produced.

Picture the wind generator owner as a small power company, because that is what he truly is. As a small power company, this wind generator owner should receive the same rate (at least) as the large utility companies receive for their production of power. Some states have gone beyond whole-sale payback to what is termed net billing, which helps the fragile wind generator industry to lead a state to further independence from fossil fuel power through the incentive of co-generation. As mentioned in other letters, retail payback or net billing has come in effect in states that have recognized the future benefits of wind generated electricity. I am sure if the consumers knew that the opportunity for more wind generated power to come of age and produce cheaper electricity lays in the hands of the Kansas people right now, there would be many, many more people supporting this issue. This has become a very hidden cause with powerful, legal forces on the utility side versus few and weak forces on the wind generator side.

We will appreciate your understanding and your concern to obtain net billing for all generator owners. SB235 has the right ingredients to make the wind industry in Kansas a threshold to more industry, agriculture and a brighter future because of economical energy production. May I add that the SB235 puts a limit on the size of generator owners that could obtain net billing. That size currently is stated at 20KW or less. I feel like possibly 50KW or less should be in this field because the smaller generator is not as efficient as the large ones. Industries are wanting to utilize larger generators than 20KW. However, even if 20KW or less is passed, that would be more than efficient to accomplish the necessary benefits for the future of Kansas.

ATT. (2)

Page 2

I want to leave my name, phone number and address at the bottom of this note for anyone who is reading this to feel free to call and visit in regards to necessary information you may need to further your support for wind generator owners.

I thank you and I pray that your efforts will be rewarded towards this cause.

Sincerely, 

Roger Kuntz  
Ag-Enterprises  
RR 1 Box 69  
Grainfield, KS 67737

Phone: (913) 673-4728

NOTE: Further legal information may be obtained from the book entitled "Be Your Own Power Company" by Rodale Press, Emmaus, Pa. 18049

# AG-ENTERPRISE

RR 1 - BOX 69 - GRAINFIELD, KANSAS 67737 - (913) 673-4728

I feel a small introduction of what the enclosed information is about is in order. There has been a mysterious change of events in the way Western Coop Electric of Wakeeney, Ks. is working with their small wind power co-generators.

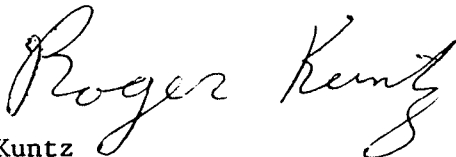
My personal background on this is simple. As a farmer, and at one time an employee at Flex-King Corporation, I decided to start a small manufacturing business of my own. A major overhead in welding was the electricity. I felt the practical thing one could do was an investment in a small wind generator and perform electrical use tasks while it was windy. Part of the PURPA federal ruling was that a utility was to pay back the owner for excess energy delivered out into other consumers lines. This is where things have taken the mysterious turn.

Some states that have a shortage of power will pay back the retail rate which the consumer pays. I realize we have no shortage. Most states pay back a rate which is near the "cost of production" or "wholesale". In our case, that rate was approximately 5 - 6¢. I was told by Mr. Bernard Ebbert at an office meeting with him that this was very close to the rate at which Western Coop Electric purchases its power. That, I felt, was fair to pay a small power producer right here in the heart of their district an amount near equal to or slightly below that of what it pays the big utilities like Sunflower. Things went along fine for about one year. The wind generator produced dependable, clean, pollutant free, low cost energy and sold its excess at a fair rate UNTIL LAST MONTH. It went from 5.5¢ per KWH to 1.9¢! You see, this was all very quietly done in a short, cold letter with Bernard saying they have been computing the rate wrong according to what Sunflower Electric Coop had to do with his figures. Be that as it may. What my suspicions are is that bureaucrats and lawyers from big power companies have made known to REAs with wind power systems a means of preventing the growth through poor payback of wind power which could mean lower costs for all consumers. I know Western Coop Electric has the negotiable power to pay what is fair but they have not used any diplomacy in even inviting conversation in regards to this matter. This pollutant free power could mean new hope for irrigation, power and industry, but it appears there is a powerful undertow to prevent its growth here in Kansas. Yet, other states welcome it to the point of paying above retail returns.

I welcome your visitation and desperately plead your help. You are seeing America, the land of freedom, change before you. I realize our parts are all small in a country of this size, but I feel we should be considerate and fair in our dealings. I ask for your intervention and help on finding the corruption going on here in this situation and put a quick end to this episode.

Thank you for listening.

Roger Kuntz



ATT. ②



WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.

SMALL POWER PRODUCTION Buy-back Calculations

Consumer Roger Kuntz Route 1 Grainfield, KS. 67737 555-02 Meter # 03530  
Time Period 8-15-85 to 9-15-85  
Beginning Meter Reading 08087 Ending Meter Reading 08742  
KWS Used 655  
Monthly Buy-back Rate per kW 1.9633 From Power Bill Dated 9-15-85  
Total Credit for Current period 12.86  
Overpayment for August - 21.52  
Balance overpayment \$ 8.66  
No Check issued this month

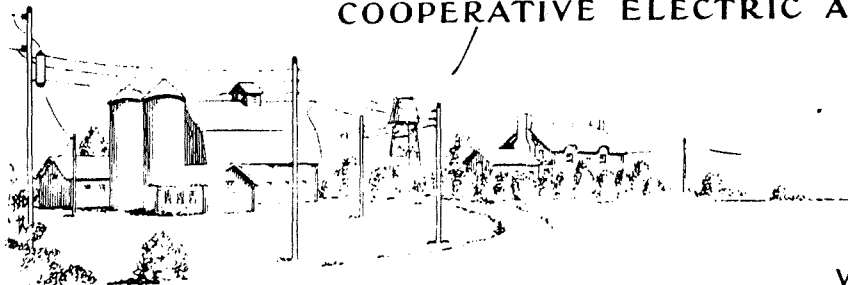
*new revised  
low rate*

TELEPHONE: 743-5561  
P. O. BOX 278

*The* WESTERN  
COOPERATIVE ELECTRIC ASSOCIATION, INC.



THE NEIGHBOR



**R E C**  
KANSAS 47 TREGO



WAKEENEY, KANSAS  
67672

October 11, 1985

Mr. Roger Kuntz  
Route 1  
Grainfield, Kansas 67737

Dear Mr. Kuntz:

Since our new rate schedule became effective 2-5-85, we have interpreted the Cogeneration and Small Power Production schedule incorrectly.

Beginning with this billing, the amount paid for buy-back electricity is figured according to the enclosed rate schedule and information received from our wholesale power supplier.

Thank you.



Very truly yours,

*Bernard Ebbert*

Bernard Ebbert  
Office Manager

BE: mm

Enclosures

**The letter that  
Told OF NEW super low  
Payback rates**

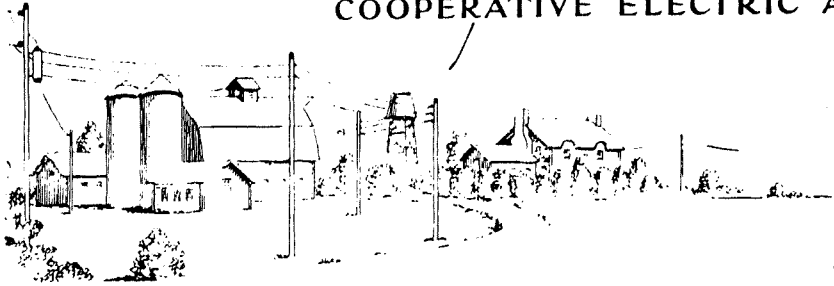
ATT. ②

TELEPHONE: 743-5861  
P. O. BOX 278

The WESTERN  
COOPERATIVE ELECTRIC ASSOCIATION, INC.



**REC**  
KANSAS 47 TREGO



WAKEENEY, KANSAS

67672

October 17, 1985

Roger Kuntz  
Route 1 Box 69  
Grainfield, Kansas 67737

Dear Mr. Kuntz:

We are writing in reference to your letter of October 17th where you had asked for information on the go-generation rate. The new rate is figured from Sunflower Electric Cooperative's rate tariff sheet #1 of 14, which we are enclosing. This figure from Sunflower's power bill comes from line #7, page 1. This known cost times the kWh (buy-back) is the only computation that you will receive in the future.

The Board members are as follows:

*Harlan McGinness manager.*

**OFFICERS AND BOARD MEMBERS**

Larry J. Evans, Pres. (Bonnie)	Gove 67736	(316) 397-5798
Donald L. Schultz, Vice Pres. (Louise)	R. 1, Grainfield 67737	(913) 673-5507
Dean Hobbs, Sec.-Treas. (Gertrude)	R. 1, Penokee 67659	(913) 743-2307
Raymond Roemer	R. 1, Grainfield 67737	(913) 938-2333
George H. Jensen (Agatha)	HC39, Box 109, Hays 67601	(913) 625-5300
Thomas Parke (Lavon)	R. 1, Box 72, Collyer 67631	(913) 743-5519
Richard Schaus (Claudia)	R. 1, Box 12, Ellis 67637	(913) 726-4948
Darrell E. Sutor (Joy)	R. 1, Zurich 67676	(913) 737-5711
Vance Pearson (Mary Ann)	R. 2, Box 151A, Wakeeney 67672	(913) 743-2574

**Here's There  
basis For  
low payback**

Very truly yours,

*Bernard Ebbert*

Bernard Ebbert  
Office Manager

BE:mm

ATT. (2)

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.

Small Power Production Buy-back Calculations

Consumer Roger Kuntz K-230 Rt. 1, Grainfield, KS. 67737 Meter # 03530  
Time Period 12-15-84 to 1-15-85  
Beginning Meter Reading 03039 Ending Meter Reading 03971

PURCHASE RATE - SCHEDULE PGS-83A

From Wholesale Power Bill dated January 15, 1985

Capacity Credit Rate 0.967 ¢/kWh

Wholesale Energy Cost \$ 618,106.84

Wholesale Energy Cost Adjustment ( 786.31)

Total Energy and Fuel Cost \$ 617,320.53

Wholesale kWh's Purchased 14,041,500

Energy Rate 4.396 ¢/kWh

Sum of Capacity and Energy Rate 5.363 ¢/kWh 5.363 ¢/kWh

Increased by One-Half of Approved Line Loss (5.265%) 0.282 ¢/kWh

Total Buy-back Rate for current period 5.645 ¢/kWh

Energy Purchased from Small Power Producer 932 kWhs

Total Small Power Credit for Current Period \$ 52.61

Check #44091 \$ 52.61

Balance .00

**The original Fair  
agreement that should  
be upheld**

ATT. (2)

CITY NAME: Hawthorn Electric Coop.	KCCTARIFF No. ECA-1	REPORT DATE:
	EFF. DATE Jan. 16, 1978	September 1, 1985
ESTIMATED ENERGY COST for September 15, 1985	SETTLEMENT FOR ACTUAL: July 15, 1985	ADJUSTMENT: FOR Sept. 15, 1985 BILLING:

**ENERGY COST ADJUSTMENT COMPUTATION**

1. ESTIMATED GENERATION (Including Hydro):  $F = \$ \underline{1,993,948}$   $Kg = \underline{121,954,000}$   $\underline{16.35}$  M/Kwh

	<u>FUEL</u>	<u>EST. COST</u>
COAL	\$	<u>NONE</u>
OIL	\$	<u>                    </u>
GAS	\$	<u>                    </u>
NUCLEAR	\$	<u>NONE</u>

2. ESTIMATED PURCHASED FOR SYSTEM (Including Hydro):  $P = \$ \underline{-0-}$   $Kp = \underline{-0-}$   $\underline{-0-}$

3. ESTIMATED INTERCHANGE:  $NI = \$ \underline{103,057}$   $KI = \underline{1,565,000}$   $\underline{65.85}$

	<u>COST</u>	<u>Kwh</u>
NET (PLUS)	\$ <u>                    </u>	<u>                    </u>
GROSS (MINUS)	\$ <u>                    </u>	<u>                    </u>

4. CORRECTION FROM SETTLEMENT MONTH (Sheet 2 Line 9)  $C = \$ \underline{124,076}$

5. TOTALS (Lines 1 + 2 + 3 + 4)  $F + P + NI + C = \$ \underline{2,221,081}$   $KT = \underline{123,519,000}$

6. ESTIMATED SALES  $[KT \times (I-L)]$   $S = \underline{113,131,053}$

1/100 LINE LOSS%  $L = \underline{8.41\%}$

12 MONTHS ENDED July 15, 1985

7. ESTIMATED ENERGY COST FACTOR:

$$\frac{F + P + NI + C}{0.01 \times S} = \underline{1.9633} \text{ */Kwh}$$

8. BASE ENERGY COST FACTOR  $b = \underline{2.3320}$  \*/Kwh

9. ENERGY COST AJD. (Line 7-Line 8) = (.3687) \*/Kwh

E.A. = <u>(.3687)</u> */Kwh
-----------------------------

This energy adjustment will be applied in adjustment month unless the Commission designates use of alternative calculation below.

10. ALTERNATIVE (Sheet 2, Line 12)  $ALT. C = \$ \underline{113,735}$

11. ALTERNATIVE TOTAL Lines 1 + 2 + 3 + 10)  $ALT. F + P + NI + C = \$ \underline{2,210,740}$

12. ALTERNATIVE ENERGY COST FACTOR:

$$\frac{ALT. F + P + NI + C}{0.01 \times S} = \underline{1.9541} \text{ */Kwh}$$

13. ALTERNATIVE ENERGY COST ADJUSTMENT (Line 12 - Line 8) (.3779) \*/Kwh

**The New Vague computation**  
ATT. (2)

TO WHOM IT MAY CONCERN:

We the employees at AG-Enterprise would like to speak as one voice in the following matter. We have been told that the future of the entire business is at stake along with our future employment because Western Coop Electric Assn. of Wakeeney, Ks. made known to our manager, Roger Kuntz, at Grainfield, Ks. that they are no longer going to pay back an electric rate to the small wind power producer that it originally has for the last 1½ years. By doing so, we have been informed the business, which involves lots of electrical usage from welders, drills, saws, etc., cannot remain profitable as its profit structure was built on a foundation of electrical use from the windgenerator. The choices have been made known to us that the business will be sold or moved along with the generator to a state that pays a fair payback rate for overproduction of power. We have no fancy equipment and high speed assembly lines, but we do have a desire to do a good job at what we do. Most important, we like the education while working on the job. The windgenerator was an important part of the business because we could weld and run the machine shop on windy days and do assembly work on calm days. This kept overhead down and allowed the SprayMate ATV sprayer to compete with our competition that came from larger higher output factories. Secondly, the ATV sprayers are largely sold out of state which brings in outside revenues. We would like to join Roger in saying that your original payback rate which was approximately 6¢ was at least fair and the new 1.6¢ rate, one of the lowest in the nation, will make the overhead of owning a windgenerator unprofitable. This in turn will eventually effect us as our business loses its competing abilities it originally had. We have been told most states welcome small wind power producers because it is a good clean source of reserve power and their payback rates show their appreciation. We hope you reconsider what you have done in cutting the payback rate to a level far below the cost of production. We hope for the fact that the business will not be relocated which in turn will effect our employment and future. We feel this request is the same as owner Roger Kuntz. A fair pay back rate for overproduction from a windgenerator. After all, you are selling this excess power at a retail rate to a nearby consumer. This power doesn't come clear across the state, across miles upon miles of transmission lines. The request to work in harmony with you does not seem to be out of line. Why not resume your original fair agreement and lets all go back to work?

Sincerely,

Rick Schmalzried - Quinter, Ks.  
Rory Schmalzried - Quinter, Ks.  
Rhett Schmalzried - Quinter, Ks.  
Rache' Schmalzried - Quinter, Ks.  
Bill Alexander - Park, Ks.  
Tony Kuntz - Park, Ks.  
Ron Linden - Grainfield, Ks.  
Tina Kuntz - Park, Ks.  
Midwest Contracting and Mfg. - Wakeeney, Ks. Subcontractor  
Quinter Building Materials - Quinter, Ks. Subcontractor  
Bob's Repair - Quinter, Ks. Subcontractor  
Larry Deges - Grainfield, Ks.  
Troy Wildeman - Grainfield, Ks.  
Lonnie Alexander - Park, Ks.  
Wayne Juenemann - Hoxie, Ks.  
Jerry Haffner - Park, Ks.  
Eugene Haffner - Park, Ks.  
Eileen Juenemann - Hoxie, Ks.  
Barbara Kuntz - Park, Ks.  
Steve Deges - Grainfield, Ks.

{ Texas has invited us to relocate as they have "net billing". This will be where many of us will relocate if Kansas is unable to get "net billing". }

ATT. (2)

HERE'S ONE  
TO  
HEAD

**Bernard R. Phillips, III**

ATTORNEY AT LAW  
5709 WEST 21st STREET  
P. O. BOX 4267  
TOPEKA, KANSAS 66604  
(913) 272-8740

February 25, 1986

Roger Kuntz  
Ag Enterprises  
Route 1, Box 69  
Grainfield, KS 67737

my attempt to sell my  
power to nearby neighbors  
and my reply

Dear Mr. Kuntz:

This is in response to your letter of January 29, 1986 to the Western Cooperative Electric Assn., Inc., in which you suggest the possibility of wheeling electrical energy generated by your wind generator to another customer or utility at a price that you and the customer would negotiate.

I have had an opportunity to research the proposed arrangements which you suggested in your letter and also visit with the Corporation Commission staff in order to respond to you. I am sorry for the delay, but we did want to fully research your request.

The law is clear that you may not generate and sell electricity to third parties for ultimate consumption unless you become a certificated public utility. Thus, the cooperative may not enter into an agreement with you to wheel power to a third party which has contracted with you for retail electric service. However, the Public Utility Regulatory Policies Act of 1978 (PURPA) does provide a specific exemption which allows utility customers to generate electricity with renewable energy resources or in a cogeneration process and sell excess power to the utility company with which they are interconnected. At this time, I understand that your wind generation system is interconnected with Western Cooperative Electric Assn., and that the cooperative is purchasing all excess power which you produce at the "avoided cost" rate approved by the Corporation Commission.

I note in your letter that you do not feel that the rate which you are receiving for excess power supplied to the cooperative is a "fair price." First of all, let me point out that each kilowatt hour which you generate for your own use is off setting the cost of electricity supplied to you by the cooperative at the full retail rate. With respect to the excess electricity you are generating and selling to the cooperative, the rate is established based upon the cost which the cooperative would avoid by buying power from you rather than its all-requirements supplier, Sunflower Electric Cooperative. At this time, Sunflower does have sufficient capacity to serve the loads of

ATT. (2)

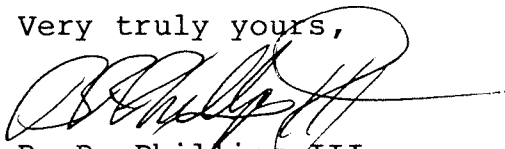
Mr. Roger Kuntz  
Page 2  
February 25, 1986

Western and its other member systems. Therefore, the electricity which you are providing to Western in the Sunflower system represents capacity which is not needed. The only costs avoided by purchasing power from you are the fuel related costs incurred in generating the energy. If the cooperative were to pay you any amount in addition to the energy costs for the kilowatt hours which you are supplying, this amount would be a subsidy to you which would be collected from the other ratepayers of Western Cooperative Electric Assn., Inc. I hope you would concur that this would not be "fair" to your fellow cooperative consumers.

In your letter you also proposed that the cooperative consider "wheeling" your power to another utility company suggesting that the cooperative would not have "volunteered this information." The Rules adopted by the Federal Energy Regulatory Commission which implement the provisions of PURPA relating to Cogeneration and Small Power Production address the issue of wheeling or transmission of power to other utilities. Title 18 of the Code of Federal Regulations § 292.303(d) does provide that an electric utility, such as Western, which does have an obligation to purchase your excess power may transmit the energy to another electric utility. A copy of this regulation is enclosed for your review. This regulation also points out that the rate for purchase will be adjusted up or down to reflect line losses in transmission. I am also enclosing a discussion of this rule which was included in the Section by Section Analysis prepared by the FERC staff and published with the rule. As you will note from the discussion there may be situations in which a sale of power to a second utility would economically benefit the small power producer, however, this is not the case when the purchasing utility is in an excess capacity situation. Thus, if your excess power were transmitted by Western to Sunflower, (the utility which is interconnected with Western Cooperative Electric Assn.,) the rate which you would receive would actually be less than the present rate after adjustment for line losses. It is not the case that Western has failed to volunteer useful information to you. Wheeling your power to a second utility at this time would not economically benefit you.

I trust that this response will adequately address the concerns expressed in your letter.

Very truly yours,



B. R. Phillips III  
Attorney for Western Cooperative Electric Assn., Inc.

cp

cc: Harlen McGinness, Manager; Tom Hesterman, Sunflower and Gary Dawdy, KCC



Testimony Before

SENATE TRANSPORTATION AND UTILITIES COMMITTEE

Senate Bill 235  
Parallel Generation

By RICHARD D. KREADY  
KPL GAS SERVICE  
Director of Governmental Affairs

March 7, 1986

Mr. Chairman and Members of the Committee:

We oppose passage of Senate Bill #235. For many years we have had a rate tariff on file with the Kansas Corporation Commission whereby we agree to purchase energy supplied by our customers' parallel generation systems. In accordance with our rate schedule, we already pay the customer for our avoided fuel costs and avoided line losses plus an incentive payment for capacity. Rather than having utilities purchase parallel generators' excess electric generation, SB 235 would require us to allow parallel generators to run their retail electric meter backwards whenever they produce excess electricity. By running the meter backwards, the parallel generator would be paid the equivalent of full retail utility rates for each excess kilowatt-hour of electricity produced. We feel this would not be good public policy. It would unfairly subsidize utility rates for those who can afford parallel generation systems at the expense of other less fortunate customers.

As a result of the Public Utility Regulatory Policy Act (PURPA), the Federal Energy Regulatory Commission (FERC) ordered state commissions to hold hearings on cogeneration and small power production, and further ruled that state commissions set rates for purchases equal to full avoided cost.

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The FERC rules define avoided cost as the incremental cost which the utility would incur if it supplied the power produced by the parallel generator. At the KCC hearings, the utility companies all agreed with the KCC staff and with the FERC rules that parallel generators should be paid the utility's avoided fuel cost.

Although many of the affected parties felt that avoided fuel cost constituted adequate reimbursement for the parallel generators, the KCC study and subsequent ruling went further. The Commission chose also to study "avoided capacity cost." Their analysis stated that the utility avoids capacity cost if it is able to avoid the need to construct a generating unit, or is able to build a smaller, less expensive plant, or to reduce firm power purchases from another utility because of power supplied by parallel generators. Staff witnesses testified that in their opinion it was essential to provide for a capacity credit in the rate paid to the parallel generator in order to provide "encouragement for this promising source of lower cost electricity." The staff argued that at sometime during each billing period, any given parallel generating unit would provide its rated output. Although they agreed that there is no reason to believe that this time would coincide with the system peak (thereby truly decreasing the need for additional capacity), in the KCC staff's opinion a capacity payment was still a desirable component.

The utility witnesses all testified against routinely including any form of capacity credit. However, there was a consensus that capacity credit should be paid to cogenerators which provide capacity at the time of the system peak, provided that the utility can actually avoid some capacity costs (not applicable to those utilities with excess capacity, in which case any capacity credit would be unfair to other customers who couldn't afford to purchase parallel generating equipment). The KCC pointed out

that any benefits from parallel generated power will be realized only on a long term basis, and may be of no benefit and possibly even of some detriment in the short run. For the above reasons it was the feeling of the KCC, "that an incentive payment for capacity is appropriate..." and they ordered a capacity payment to parallel generators equal to 50% of the per unit authorized rate of return on the utility's net production plant as determined in the utility's latest rate case.

The KCC also ordered that 50% of the annual line loss percentage be applied to increase the price paid to parallel generators. The logic behind this is that parallel generation units are spread throughout the system, and this random spread will operate to reduce the line losses that would have occurred to get that power to the various locations from our power plants.

Following their study, the KCC ordered all jurisdictional electric utilities to file rate tariffs for payment to small parallel generation power producers. In accordance with the KCC's request, we established rates to include payment for avoided fuel costs, 50% of the annual line loss percentage and 50% of our rate of return on plant capacity.

We feel the KCC has already established rules to assure that parallel generators are adequately paid for their excess generation. Portions of this rate formula were already established specifically to provide "incentives" for parallel generators. We feel any greater rate incentives for parallel generators would be unduly discriminatory against the other utility customers who can't afford to purchase their own generating equipment. It is for these reasons that we oppose enactment of Senate Bill #235, which would undo these hard fought compromises by requiring utilities to use a single non-ratcheted meter. The result would be a situation where our meter would

continue to run forward whenever the customer buys power from us, but if a parallel generator should happen to momentarily produce more electricity than he is consuming, our meter would then run backwards. By running the meter backwards, the parallel generator would be reimbursed at the utility's retail rates. Since retail rates are designed to recover all of the utility's costs for power plant capacity, fuel, line losses, transmission and distribution lines, substations and step-down transformers, office buildings, employee salaries, cost of capital, etc., I believe you'll agree that Senate Bill #235 would cause parallel generators to be reimbursed for a variety of expenses they neither incurred for themselves, nor eliminated for the remaining utility customers. The utility would eventually have to be paid for those overheads through its remaining sales, which means the unduly preferential rate treatment for the parallel generators would be at the cost of those customers who can't afford to purchase generating equipment.

I feel we also must remember why some customers choose to purchase parallel generating equipment. At least in my experience, people invest in these alternate energy methods for providing their own electricity. They can thereby avoid paying the full retail price on each kilowatt-hour (KWH) of electricity that they produce for themselves. Surely we don't want to encourage a duplication of utility facilities and an ever increasing volume of excess capacity. That could well be the result if we pass this proposed law, which would encourage people to buy parallel generating systems to sell power at the going utility rate rather than purchase the equipment for their own use.

To prevent excess capacity duplicating utility facilities and keep utility rates based on the cost of providing necessary services, as well as in the spirit of maintaining public policy to prevent discrimination against those who cannot afford purchasing their own electric generating equipment, we encourage you not to support Senate Bill #235.

SENATE BILL NO. 235

STATEMENT OF JERRY C. COONROD

DIRECTOR - COMMUNITY AFFAIRS, KANSAS GAS AND ELECTRIC COMPANY

SB 235 would require a public utility to use a single non-ratcheted meter for billing purposes for customers with parallel generation equipment with a combined rated capacity of 20 kilowatts or less. Currently such customers are billed using two meters; one to record electricity sold to the utility by the customer and the other to record the electricity purchased by the customer from the utility. Since the rates utilities pay for purchase of customer generated power are less than the rates customers pay for power purchased from the utility, the effect of this bill is to substantially increase the price that would be paid to customers for the electricity they produce.

KG&E opposes SB 235 because, first, the rates it would have to pay for customer generated power are higher than the rates required by the Public Utilities Regulatory Policy Act (PURPA) and, second, because running a meter in reverse would cause KG&E to violate the meter accuracy standards of the KCC.

In a statement given to this committee on February 14, a representative of the KCC noted that "the facilities that will be covered by this proposed amendment will be almost exclusively windmills." Further, the KCC representative noted that, though windmills may supply power frequently, there is no assurance that the power can be provided at the time that the utility experiences a peak in its customers' demand for electricity.

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Since our service obligation requires that we be able to meet changes in our customers' demand for service instantly and without interruption or inconvenience, we build and maintain power plants, transmission lines and distribution equipment sufficient to meet our customers' highest demand for service. Though the highest demand occurs for only brief periods during the hottest days of the summer, the fixed costs of these power plants and other investment go on all year. The fact that customers can occasionally provide energy to KG&E will not affect KG&E's costs at all, unless the customer is capable of meeting the same service obligation as KG&E.

The rates KG&E charges for electricity it sells to customers primarily reflect these fixed costs. KG&E's fuel costs are only a small fraction of the average rate (roughly 1.4% of a total cost per kWh of 5¢ to 12¢ depending on the rate schedule.) If KG&E were obligated to pay its normal retail rate for energy generated by the customer, KG&E would be paying the customer for fixed costs that KG&E continues to bear. Paying these fixed costs twice ultimately means higher rates for other customers.

The KCC representative noted that SB No. 235 has the effect of requiring a utility to pay more than its avoided cost for customer generated energy. KG&E agrees. PURPA regulations leave the determination of what a utility's avoided costs are to the state regulatory commissions. The KCC agrees with KG&E's position that the only costs it can currently avoid by buying customer generated energy are fuel costs.

There is an additional problem with meter accuracy. KG&E recently tested eight meters from four different vendors to determine if they were within the 2% accuracy standard set by the KCC. When the meters are run in

the normal forward direction all met the 2% test. When run in reverse at high loads, two of the eight meters failed to meet the 2% accuracy standard. At lower load levels, all eight meters failed the accuracy test in reverse.

KG&E requests that the authority to determine rates for payment for customer generated energy and customer metering arrangements be left with the KCC. Thank you.

TESTIMONY BEFORE  
SENATE TRANSPORTATION & UTILITIES COMMITTEE  
SB 235  
March 7, 1986  
By: Daniel R. McGee

Mr. Chairman and Members of the Committee:

My name is Dan McGee, and I work for Centel Corporation/Western Power, which has administrative offices in Great Bend, Kansas. Thank you for the opportunity to speak in opposition to SB 235.

SB 235 would require electric utilities to purchase energy from our customers' small generating systems at the same retail rate that we charge for energy. As I will point out in this testimony, rates for energy purchased from and sold to the customer should not be the same. However, this would be the result if a single nonratcheted meter were used for billing purposes.

One of the types of parallel generation equipment covered by this bill is windmills, and I will direct my concerns to that type of system.

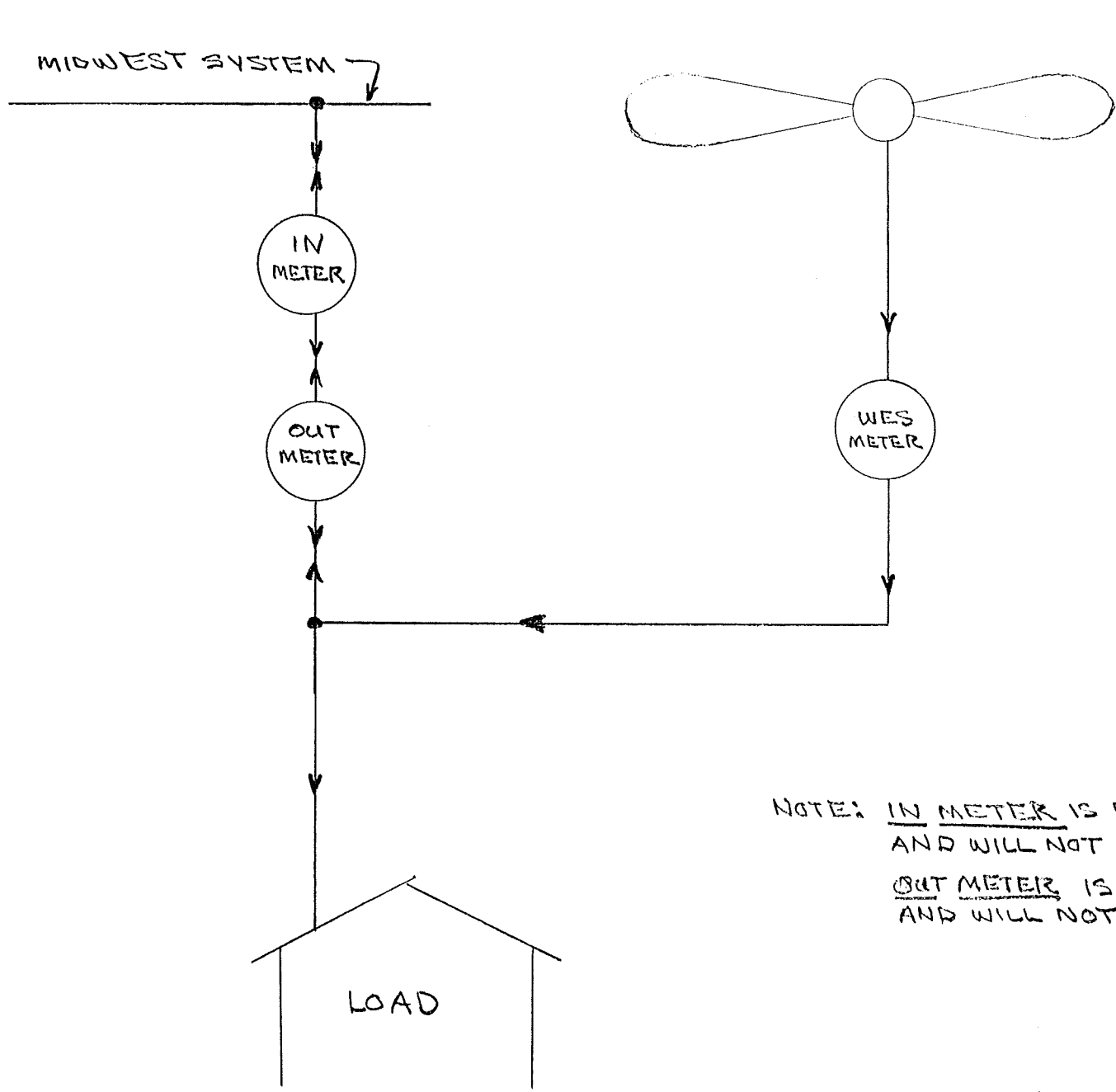
If one of our customers installs a wind powered generator, we still remain his primary source of power, and he does not decrease our demand costs at all. This is because windmills produce only when the wind blows, and they are not capable of meeting the same reliable service obligation as a public utility is; the customer may still need to purchase power from us during our peak load time. We are obligated to meet the changes in these customers' demand for service. The experience we have had with wind generators in our service area verifies that statement. During the last five years, there have been 24 of these machines installed in Centel's service area. Eight of these units are no longer in service at all, and the remaining sixteen (16) work only part of the time.



Page Two  
Testimony  
March 7, 1986

We feel that all we should be forced to pay the small power producer for his production in excess of consumption is our avoided fuel cost. If we are forced to pay more, then our remaining ratepayers are forced to subsidize the windmill owner.

When a person studies the economic feasibility of purchasing an energy producing system, the amount of money he can expect to make from the power company should not be a factor. I feel that these machines ought to be sold on their own merit, and just for their ability to produce electricity for that consumer.



ATT. 6

NOTE: IN METER IS RATCHETED  
AND WILL NOT RUN BACKWARDS  
OUT METER IS RATCHETED  
AND WILL NOT RUN FORWARDS

Attch. 6  
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- ANALYSIS -

WIND ENERGY SYSTEMS - MIDWEST ENERGY No. DIV.

PREPARED BY

DATE

	1	2	3	4	5	6	7	8	9	10
	ENERTECH 1.8 KW KWH	VALUE		WHIRLWIND 3.0 KW KWH	VALUE		CARTEIT 20.0 KW KWH	VALUE		
1										
2	1984		\$		\$			\$		
3	JANUARY	-	-	345	20.42		2,053	78.-		
4	FEBRUARY	-	-	253	16.13		4,822	200.60		
5	MARCH	-	-	260	15.80		2,993	130.37		
6	APRIL	-	-	292	16.02		5,440	186.03		
7	MAY	18	88	267	15.40		4,056	150.22		
8	JUNE	47	259	267	15.91		2,900	103.36		
9	JULY	-	-	297	20.79		3,030	135.25		
10	AUGUST	-	-	246	17.19		1,211	52.77		
11	SEPTEMBER	-	-	265	17.79		3,303	130.51		
12	OCTOBER	-	-	307	17.71		2,115	75.36		
13	NOVEMBER	-	-	161	9.24		4,163	143.83		
14	DECEMBER	-	-	228	13.22		1,986	74.81		
15	TOTALS	65	\$ 3.47	3,188	\$ 195.62		38,072	\$ 1,460.91		
16	1985		\$		\$			\$		
17	JANUARY	-	-	208	12.19		3,412	130.56		
18	FEBRUARY	-	-	188	10.81		1,914	72.15		
19	MARCH	-	-	232	13.18		2,939	114.60		
20	APRIL	-	-	250	14.24		4,350	151.05		
21	MAY	-	-	292	17.26		1,157	41.29		
22	JUNE	-	-	190	11.57		693	26.69		
23	JULY	-	-	308	18.05		3,221	117.73		
24	AUGUST	-	-	256	17.43		2,015	35.97		
25	SEPTEMBER	-	-	256	17.46		2,682	106.69		
26	OCTOBER	-	-	283	16.14		3,051	109.55		
27	NOVEMBER	-	-	240	13.45		2,216	86.44		
28	DECEMBER	-	-	83	4.77		1,816	75.24		
29	TOTALS	-	\$ -	2,786	\$ 166.55		29,466	\$ 1,062.75		
30										

7

TESTIMONY BEFORE  
SENATE TRANSPORTATION AND UTILITIES  
MARCH 6, 1986  
BY  
RANDY BURLESON  
EMPIRE DISTRICT ELECTRIC COMPANY

SB 235, by requiring a single meter, would result in the electric utility purchasing power from the customer at the same retail rate for which it sells the power. Although this seems fair, paying retail rate results in a subsidy borne by the utilities remaining customers for the following reasons:

1. A utilities demand and customer costs would remain constant for the generating customers whether they produced any power or not. In fact, these customer costs may be more due to the special handling required for their accounts.
2. Typically the assumption is that when a generating customer has excess power to sell it is at a time when a utility absolutely does not need it, and when a peak demand time occurs a wind generator can not be relied upon to provide relief to the utility.

Currently, wind generators have a very minor impact on the industry, but establishing a higher rate may entice people to get into the generating business. What would be the impact on the Kansas rate payers if each county had 5, or even 1 megawatt of windpower if it could not be relied upon during peak times? It could get very costly.

Another thing to consider is for those installations already in operation throughout the state that have proven to be cost effective, a higher rate would only create a windfall to be borne by other customers. If wind generators can be sold today on their own merit, why create a situation that would be lucrative for a few at the expense of others?

We would hope the committee decides that the rate guidelines established by PURPA are sufficient to encourage parallel generation.

Thank you.

ATT. 7  
S. TU 3/7/86