

Approved: Carl Dean Holmes 2-8-95
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes on January 18, 1995 in Room 526-S of the Capitol.

All members were present except: Representative Joann Flower - Excused
Representative Phill Kline - Excused

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Shirley Wilds, Committee Secretary

Conferees appearing before the committee: Patrick Hurley, Wolf Creek Nuclear Operating Corporation
Harold Spiker, Department of Health and Environment

Others attending: See attached list

Chairperson Holmes reminded the Committee members if there are plans for any amendment requests made to the Revisor's office to please notify the Chair of their intent so that the draft can be considered prior to any action on a bill.

The Chair asked if there were any committee bill requests. None were offered at this time.

Hearing on:
HB 2032

Pat Hurley. Appearing on behalf of the Wolf Creek Nuclear Operating Corporation in support this measure. He said that based upon the Governor's position and commitment, they support passage to allow Governor Graves the maximum flexibility in selecting the State's representatives on this vitally important Commission. Mr. Hurley believes that Kansas has the strongest and most coordinated relationship of any of the states in the compact with their major generators, and it is critical that Kansas continue this strong representation. (See Attachment #1).

Harold Spiker. Mr. Spiker reported that KDHE supports **HB 2032** and, as circumstances warrant, would permit the Governor to appoint individuals other than the KDHE Secretary and Director of Environment to these positions. (See Attachment #2).

Mr. Spiker recommended that the following two issues be given additional consideration by the Committee prior to final action.

- * Providing adequate compensation and funding for costs incurred by an appointed commissioner and alternate.
- * Providing adequate staff support for technical and legal issues associated with CIC activities.

Regardless of who is appointed, Mr. Spiker said it is assumed that KDHE will continue to provide staff support for the Commissioner/Alternate. He reported KDHE has recommended 1995 legislation to the Governor which will allow KDHE to assess fees among the llrw generators in Kansas to fund Kansas' participation in the CIC.

Chairperson Holmes introduced Bob Mead, Acting Secretary Department of Health and Environment, in the audience.

The Chair opened the meeting to inquiry and discussion on **HB 2032**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on January 18, 1995.

In response to questions posed, Chairperson Holmes explained those involved in Compact meetings. He said members from both the Executive and Legislative branches attend the Compact meetings, and the night before Kansas representatives attending the meeting get together and peruse all the documents on the agenda. Those typically in attendance at these meetings are: A representative from the Commission; representative from the Attorney General's office; several representatives from the environmental section from KDHE (either attending the meeting or preparing materials for the meeting), among others.

Representative Holmes invited members to check his personal file on various Compact briefings covering a period of several years to aid them in a better understanding of the workings of the Compact. Also, Representative McClure offered her informational file as well.

Action on:
HB 2045

Representative Doug Lawrence moved to adopt the balloon to **HB 2045**. Representative Dennis McKinney seconded. Motion carried. (See Attachment #3.)

Representative Lawrence moved to recommend **HB 2045** favorable for passage, as amended. Representative Sloan seconded. Motion carried.

Action on:
HB 2047

Representative Lawrence moved to adopt **HB 2047** and place on the Consent Calendar. Representative Lloyd seconded. Motion carried.

Representative Lawrence explained the legislative process of the Consent Calendar for the benefit of new members on the Committee.

Action on
HB 2048

Representative Freeborn explained an amendment to **HB 2048**, on Page 3. (See Attachment #4.)

A staff member explained a technical change to **HB 2048** on Page 4, line 17, it should read 45-219 in lieu of 45-204.

Representative Sloan moved to strike 45-204 and insert 45-219 on Page 4, line 17 of **HB 2048**. Representative Lawrence seconded. Motion carried.

Representative Freeborn moved to adopt the balloon on Page 3 of **HB 2048**. Representative McClure seconded the motion. Motion carried.

Representative Freeborn made a conceptual motion that staff compose correct rules and regulations language to **HB 2048**. Representative Lawrence seconded. Motion carried.

Representative Myers moved to pass **HB 2048** favorable for passage as amended. Representative Lawrence seconded. Motion carried.

Action on
HB 2049

Representative McKinney moved that **HB 2049** be passed favorably. Representative McClure seconded. Motion carried.

Action on
HB 2051

Representative Lawrence moved to recommend **HB 2051** favorable for passage and place on the Consent Calendar. Representative Sloan seconded. Motion carried.

Action on
HB 2053

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on January 18, 1995.

Representative Empson moved to recommend **HB 2053** favorable for passage and place on the Consent Calendar. Representative Lloyd seconded. Motion carried.

Chairperson Holmes explained that **HB 2054** has been dual-referred. He explained that a dual-referred bill stays in this Committee until a decision is made to move it out; if moved out of Committee favorably the bill then comes before the Judiciary Committee. If the bill is reported adversely the bill is then considered dead.

Upon completion of its business, the meeting adjourned at 4:40 p.m.

The next meeting is scheduled for January 19, 1995.

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE GUEST LIST

DATE: January 18, 1995

NAME	REPRESENTING
Carl Saugher	EMPIRE DISTRICT ELEC.
Denny Koch	SW BELL
J.C. Fox	Util. Corp. Hunter
Nicole K. Bryant	CURB
Tom Whitaker	Ks Motor (Carriers Assn)
Marshall Clark	K.E.C.
TRENT POTTER	MIDWEST ENERGY
Whitney Damon	Pete McGill Associates
John Lanchell	KS A&E Office
Harold L. Spiker	KDH+S
Patrick Hurley	Wag Creek Nuc Opn. Co.
Matthew Holt	KCC/Student ^{GO} HAWKS!
JOHN TROWIN	KDHE
CHRIS STANFIELD	KDHE
Jim Langford	DOB
MIKE REECHT	AT+T
EVA POWERS	MCI
Michelle Peterson	Ks Gov Consulting
Bruce Graham	KEPCO

**TESTIMONY of
Patrick J. Hurley**

**on behalf of
Wolf Creek Nuclear Operating Corporation**

**in support of HB 2032
Submitted to the House Committee on Energy and Natural Resources**

Statehouse
Topeka, Kansas
January 18, 1995

1/18/95
Energy & Natural Resources
Attachment #1

Mr. Chairman and members of the committee:

My name is Pat Hurley and I am appearing here on behalf of Wolf Creek Nuclear Operating Corporation in support of HB 2032.

WOLFNOC is the company formed to run the Wolf Creek Nuclear Power Plant in Burlington, Kansas. The owners of WOLFNOC are Western Resources, Kansas City Power and Light and Kansas Electric Power Cooperative.

Wolf Creek is the only nuclear power plant in Kansas and the largest generator of low level nuclear waste in the state.

It was due to the existence of Wolf Creek that Kansas made the decision to join the Central Interstate Compact together with Arkansas, Louisiana, Nebraska and Oklahoma. After this Compact was formed the current law was enacted which mandates that the Secretary of the Department of Health and Environment would be the Kansas Commissioner to the Compact, and the Director of Environment would be the alternate.

During the period from the beginning of the Compact until the election of the current Governor of Nebraska, Ben Nelson, in 1990, the activities of the Commission were relatively non-controversial and the development of the site in Nebraska proceeded relatively calmly.

However, Governor Nelson ran in 1990 on his opposition to the construction of a facility in Boyd County, Nebraska, and he has continuously raised every possible argument and obstacle to any progress since that time.

Since then, actions by the State of Nebraska have resulted in all five Central Compact states being prematurely barred from shipping their storage to Barnwell, South Carolina (although later reinstated), in a premature declaration by Nebraska of an intent to deny licensure (which was ultimately withdrawn), and in multiple lawsuits being filed by Nebraska, challenging the absence of community consent in which Nebraska was ruled against by the Federal District Court, the U.S. Court of Appeals, and the U.S. Supreme Court.

Due to this consistent opposition by Governor Nelson and in view of his recent re-election for another four year term, it is extremely important that Kansas maintain the strongest possible representation on the Commission.

Since Secretary Robert Harder became the Kansas Commissioner and Charles Jones became the alternate, Kansas has consistently and increasingly assumed the dominant position on the five state compact in contesting Nebraska's efforts to delay the project and

requiring them to continue on a course of carrying out their legal obligation to complete this project.

I have personally been representing Wolf Creek in their working relationship with the State of Kansas with regard to all Compact matters for over the last two years. During this period of time, Wolf Creek and the State have fully coordinated their efforts to get Nebraska to finish this project.

As a result, I believe Kansas now has the strongest and most coordinated relationship of any of the states with their major generators when it comes to dealing with the State of Nebraska on matters affecting the Compact.

With the change in administration now occurring, it is critical that Kansas continue this strong representation. We have been advised that Governor Graves shares this concern and commitment and believes that he can best assure the strongest possible representation for the state with the changes proposed in HB 2032.

Based upon the Governor's position and commitment, we are appearing in support of the passage of HB 2032, to allow Governor Graves the maximum flexibility in selecting the State's representatives on this vitally important Commission.

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For these reasons, we urge your favorable action on HB 2032.

Thank you for the opportunity to express our views on this legislation and I would be happy to answer any questions the committee members may have.

State of Kansas

Bill Graves



Governor

Department of Health and Environment

Bob J. Mead, Acting Secretary

Testimony presented to

House Energy and Natural Resources Committee

by

The Kansas Department of Health and Environment

House Bill 2032

In response to the Low-Level Radioactive Waste Policy Act of 1980, the states of Arkansas, Kansas, Louisiana, Nebraska and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact (CIC) and the 1982 Kansas Legislature enacted legislation which made Kansas a participant in that Compact. That legislation is contained in K.S.A. 65-34a01. The Secretary of Health and Environment is designated by K.S.A. 65-34a02 as the Kansas representative on that Commission and the Director of KDHE's Division of Environment is designated as alternate commissioner. This arrangement has worked reasonably well, with KDHE staff responsible for the regulation of low-level radioactive waste in Kansas serving as staff to the Secretary. The Kansas CIC Commissioner and alternate have taken this responsibility very seriously. This is evident by Kansas' involvement in and commitment to the CIC and the impact which Kansas has had on CIC activities. However, this commitment requires a great deal of time from the already burdensome responsibilities of the Secretary of a major state agency. For this reason, KDHE supports H.B. 2032 which, as circumstances warrant, would permit the Governor to appoint individuals other than the KDHE Secretary and Director of Environment to these positions.

KDHE does, however, recommend that the following two issues be given additional consideration by the Committee prior to final action on H.B. 2032:

- ◆ Providing adequate compensation and funding for costs incurred by an appointed commissioner and alternate.
- ◆ Providing adequate staff support for technical and legal issues associated with CIC activities.

It is assumed that because of the expertise and regulatory jurisdiction which KDHE has regarding low-level radioactive waste (llrw) issues, KDHE will continue to provide staff support for the Kansas CIC Commissioner/Alternate, regardless of who is appointed. KDHE has never received specific funding or staff for CIC activities. In order to relieve the burden on the SGF portion of KDHE's budget, KDHE has recommended 1995 legislation to the Governor which

Testimony on HB 2032
Page Two

will allow KDHE to assess fees among the llrw generators in Kansas to fund Kansas' participation in the CIC. It may be feasible to combine the provisions of this bill with the proposed legislation to assure adequate fiscal support for CIC activities.

Testimony presented by: Harold Spiker
Chief, Environmental Radiation & Emergency
Preparedness
Bureau of Air and Radiation
January 19, 1995

HOUSE BILL No. 2045

By Committee on Energy and Natural Resources

1-10

9 AN ACT concerning certain public utilities; amending K.S.A. 66-101b,
 10 66-101c, 66-101d, 66-101f, ~~66-1,200~~ 66-1,202, 66-1,203, 66-1,204 and — strike bracketed language
 11 66-1,206 and K.S.A. 1994 Supp. 66-101e and 66-1,205 and repealing
 12 the existing sections.
 13

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

15 Section 1. K.S.A. 66-101b is hereby amended to read as follows: 66-
 16 101b. Every electric public utility governed by this act shall be required
 17 to furnish reasonably efficient and sufficient service; ~~joint service~~ and
 18 facilities for the use of any and all products or services rendered, fur-
 19 nished, supplied or produced by such electric public utility, to establish
 20 just and reasonable rates, ~~joint rates, tolls,~~ charges and exactions and to
 21 make just and reasonable rules, classifications and regulations. Every un-
 22 just or unreasonably discriminatory or unduly preferential rule, regula-
 23 tion, classification, rate, ~~joint rate, toll,~~ charge or exaction is prohibited
 24 and is unlawful and void. The commission shall have the power, after
 25 notice and hearing in accordance with the provisions of the Kansas ad-
 26 ministrative procedure act, to require all electric public utilities governed
 27 by this act to establish and maintain just and reasonable ~~joint~~ rates when
 28 the same are reasonably necessary in order to maintain reasonably suffi-
 29 cient and efficient service from such electric public utilities.

30 Sec. 2. K.S.A. 66-101c is hereby amended to read as follows: 66-
 31 101c. Every electric public utility doing business in Kansas over which
 32 the commission has control shall publish and file with the commission
 33 copies of all schedules of rates; ~~joint rates, tolls, charges, classifications~~
 34 ~~and divisions of rates affecting Kansas traffic, either state or interstate,~~
 35 and shall furnish the commission copies of all rules, regulations and con-
 36 tracts between electric public utilities pertaining to any and all *jurisdic-*
 37 *tional* services to be rendered by such electric public utilities. The com-
 38 mission shall have power to prescribe reasonable rules and regulations
 39 regarding the ~~printing form~~ and filing of all schedules; ~~tariffs and classi-~~
 40 ~~fications of all rates, joint rates, tolls, charges of rates~~ and all rules and
 41 regulations of such electric public utilities.

42 Sec. 3. K.S.A. 66-101d is hereby amended to read as follows: 66-
 43 101d. It shall be the duty of the commission, either upon complaint or

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1 *and regulations*, practice or acts relating to any service performed or to
 2 be performed by any electric public utility for the public are altered,
 3 changed, modified; ~~fixed~~ or established shall be reduced to writing, and
 4 a copy thereof, duly certified, shall be served on the electric public utility
 5 affected thereby. Such order and decision shall become operative and
 6 effective within 30 days after such service. Such electric public utility,
 7 unless an action is commenced in a court of proper jurisdiction to set
 8 aside the findings, orders and decisions of the commission, or to review
 9 and correct the same, shall carry the provisions of such order into effect.

10 [Sec. 6. K.S.A. 66-1,200 is hereby amended to read as follows: 66-
 11 1,200. As used in this act:

12 (a) "Natural gas public utility" means any public utility defined in
 13 K.S.A. 66-104, and amendments thereto, which ~~supplies sells or trans-~~
 14 *ports natural gas. A natural gas gathering pipeline system, as defined in*
 15 *K.S.A. 66-104 and amendments thereto, shall not be considered to be a*
 16 *natural gas public utility.*

17 (b) "Commission" means the state corporation commission.]

18 Sec. 7. K.S.A. 66-1,202 is hereby amended to read as follows: 66-
 19 1,202. Every natural gas public utility governed by this act shall be re-
 20 quired to furnish reasonably efficient and sufficient service; ~~joint service~~
 21 and facilities for the use of any and all products or services rendered,
 22 furnished, supplied or produced by such natural gas public utility, to
 23 establish just and reasonable rates, joint rates, tolls, charges and exactions
 24 and to make just and reasonable rules, classifications and regulations.
 25 Every unjust or unreasonably discriminatory or unduly preferential rule,
 26 regulation, classification, rate, ~~joint rate, toll,~~ charge or exaction is pro-
 27 hibited, unlawful and void. The commission shall have the power, after
 28 notice and hearing in accordance with the provisions of the Kansas ad-
 29 ministrative procedure act, to require all natural gas public utilities gov-
 30 erned by this act to establish and maintain just and reasonable ~~joint~~ rates
 31 when the same are reasonably necessary in order to maintain reasonably
 32 sufficient and efficient service from such natural gas public utilities.

33 Sec. 8. K.S.A. 66-1,203 is hereby amended to read as follows: 66-
 34 1,203. Every natural gas public utility doing business in Kansas over which
 35 the commission has control shall publish and file with the commission
 36 copies of all schedules of rates; ~~joint rates, tolls, charges, classifications~~
 37 ~~and divisions of rates affecting Kansas traffic, either state or interstate,~~
 38 and shall furnish the commission copies of all rules, regulations and con-
 39 tracts between natural gas public utilities pertaining to any and all *juris-*
 40 *dictional services* to be rendered by such natural gas public utilities. The
 41 commission shall have power to prescribe reasonable rules and regula-
 42 tions regarding the ~~printing form~~ and filing of all schedules; ~~tariffs and~~
 43 ~~classifications of all rates, joint rates, tolls, charges of rates~~ and all rules

← strike section 6 and renumber remaining sections

1 *and regulations*, practice or acts relating to any service performed or to
 2 be performed by any natural gas public utility for the public are altered,
 3 changed, modified; ~~fixed~~ or established shall be reduced to writing, and
 4 a copy thereof, duly certified, shall be served on the natural gas public
 5 utility affected thereby. Such order and decision shall become operative
 6 and effective within 30 days after such service. Such natural gas public
 7 utility, unless an action is commenced in a court of proper jurisdiction to
 8 set aside the findings, orders and decisions of the commission, or to re-
 9 view and correct the same, shall carry the provisions of such order into
 10 effect.

11 Sec. 12. K.S.A. 66-101b, 66-101c, 66-101d, 66-101f, ~~66-1,200~~ 66-
 12 1,202, 66-1,203, 66-1,204 and 66-1,206 and K.S.A. 1994 Supp. 66-101e
 13 and 66-1,205 are hereby repealed.

14 Sec. 13. This act shall take effect and be in force from and after its
 15 publication in the statute book.

strike bracketed language

3-2

1 follows: 66-1a01. (a) The state corporation commission shall charge and
2 collect fees for the purposes and in the amounts as prescribed in this
3 section. Such fees shall be paid to the state corporation commission at
4 the time of filing the original papers or application in the case.

5 (b) (1) For the purposes of certificates issued under K.S.A. 66-125,
6 and amendments thereto, to authorize the issuance of stock, bonds or
7 other evidences of indebtedness, except as otherwise provided in para-
8 graph (1), the commission shall charge and collect an application fee of
9 \$10 to accompany each application and processing fees ~~which shall be~~
10 ~~paid on or before issuance of a certificate and which shall be in accordance~~
11 ~~with the following schedule:~~

set by the commission
which reflect the costs
incurred by the commission
to process such application.

12	For the first \$100,000 principal amount or fraction thereof allowed and	
13	to be invested in the state of Kansas	665
14	For each additional \$100,000 or fraction thereof for the same \$1,400,000	
15	principal amount allowed and to be invested in the state of Kansas ..	10
16	For each additional \$500,000 or fraction thereof over \$1,500,000 allowed	
17	and to be invested in the state of Kansas	25

18 Notwithstanding the foregoing provisions of paragraph (1), whenever
19 an application is made for a certificate to authorize the issuance of stocks,
20 bonds or other evidences of indebtedness and the federal interstate com-
21 merce commission has authorized the issuance of the same issue of such
22 stocks, bonds or other evidences of indebtedness, the commission shall
23 charge and collect an application fee of \$10 to accompany each applica-
24 tion and a processing fee of \$25 which shall be paid on or before issuance
25 of such certificate. ~~No fee shall be charged when such issue is made for~~
26 ~~the purpose of guaranteeing, assuming, refunding, discharging or retiring~~
27 ~~any bond, note or other evidence of indebtedness up to the amount of the~~
28 ~~issue guaranteed, assumed, refunded, discharged or retired.~~

29 (2) With regard to the regulation of motor carriers, the commission
30 shall charge and collect fees in accordance with the following schedule:

31	For application for motor common carrier certificate	\$25
32	For application for motor carrier permit or license, except no fee shall	
33	apply to motor carriers regulated by the interstate commerce	
34	commission	10
35	For application for extension, rerouting, removal of restrictions or transfer	
36	of motor common carrier certificate and motor common carrier	
37	license	10
38	For each motor common carrier certificate involved in an application for	
39	authority to establish joint rates or fares and perform joint service ..	5
40	For application of motor common carriers for authority to make any	
41	change in their tariffs or other publication pertaining to their rates,	
42	fares or charges:	
43	If bearing not required	1

Energy's Natural Resources
Attachment #4
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