

Approved: Carl Dean Holmes
Date 3/14/96

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 3:39 p.m. on February 15, 1996, in Room 526-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Others attending: See attached list

Action on HB 2966: Decrease in maximum and minimum balances of aboveground petroleum storage tank release trust fund

Representative Joann Freeborn moved to amend HB 2966 on page 1, in line 42, after the period by inserting "At any time when the unobligated principal balance of the aboveground fund exceeds \$1,500,000, the excess shall be transferred to the underground fund." Representative Richard Alldritt seconded the motion. The motion carried.

Representative Bob Krehbiel moved that HB 2966 be passed out favorably as amended. Representative Don Myers seconded. The motion carried.

Action on HB 2600: Task force on retail wheeling established

Representative Doug Lawrence distributed a balloon to amend HB 2600. (Attachment #1)

Representative Doug Lawrence moved to amend HB 2600 on page 1 by striking all of lines 17 through 24 and inserting:

"(1) Two members of the house of representatives appointed by the speaker of the house of representatives and one member of the house of representatives appointed by the minority leader of the house of representatives;

(2) two members of the senate appointed by the president of the senate and one member of the senate appointed by the minority leader of the senate;"

Representative Rich Becker seconded the motion. Discussion followed. The motion carried. Representatives McKinney, Alldritt, Feuerborn, and Flora requested to be recorded as voting nay.

Representative Tom Sloan moved to amend HB 2600 on page 1, line 39, after the comma, by inserting "Kansas City electric power cooperative," Representative Clay Aurand seconded the motion. Discussion followed. The motion carried.

Representative Doug Lawrence moved to amend HB 2600 on page 2, line 3, by striking all after the second "the" through the word "agency" on line 14 and inserting "state corporation commission . . ." Representative Dennis McKinney seconded the motion. Discussion followed. Representative Lawrence divided the motion into two parts. The first part was to amend HB 2600 on page 2, line 13, by striking "Each" and inserting "The state corporation commission and each other . . ." Representative McKinney concurred with the division. The first part of the motion carried. Representative Lawrence withdrew the second part of the motion. Representative McKinney withdrew his second for the second part of the motion.

Representative Doug Lawrence moved to amend HB 2600 on page 3, in line 17, by striking "statute book" and inserting "Kansas register." Representative Rich Becker seconded the motion. Discussion followed. The

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on February 15, 1996.

motion carried.

Representative Doug Lawrence moved to amend **HB 2600** on page 1, line 42 through line 5 on page 2 to comply with the standard procedures. Representative Joann Flower seconded the motion. Discussion followed. Representative Lawrence withdrew the motion. Representative Flower withdrew the second.

Representative Doug Lawrence moved to amend **HB 2600** on page 2, by striking all of lines 1 through 5 and inserting:

“(b) The legislative coordinating council shall designate two of the legislative members of the task force to serve, respectively, as chairperson and vice-chairperson of the task force.”

Representative Rich Becker seconded the motion. Discussion followed. The motion carried.

Representative Clay Aurand moved to amend **HB 2600** on page 3, lines 8 through 12, by deleting all of Sec. 2. Representative Terry Presta seconded the motion. Discussion followed. The motion failed.

Representative Laura McClure moved to amend **HB 2600** on page 3, in line 3, by striking “and”; in line 4, before the period, by inserting: “;

(14) the feasibility of establishment of retail customer service areas, consisting of all classes of customers, for which retail suppliers would compete to serve;

(15) stranded benefits such as the cold weather rule and charitable contributions by retail suppliers;

(16) nonprice issues such as customer service, storm damage repair, energy conservation and billing;

(17) the impact on municipal electric utilities and rural electric cooperatives;”

Representative Tom Sloan seconded the motion. Discussion followed. The motion carried.

Representative Tom Sloan moved to amend **HB 2600** on page 3, by adding to the list of Representative McClure’s above motion, “(18) and the impact on existing structures.” Representative Doug Lawrence seconded the motion. Discussion followed. The motion carried.

Representative Rich Becker moved to amend **HB 2600** on page 1, line 39, after the comma, by inserting “Kansas City Board of Public Utilities,” and on page 1, in line 16, by striking “18” and inserting “20.” Representative Terry Presta seconded the motion. Discussion followed. The motion carried.

Representative Tom Sloan moved to amend **HB 2600** on page 1, line 39, after the comma, by inserting “Empire District Electric Company,” and on page 1, in line 16, by striking “18” and inserting “21.” Representative Clay Aurand seconded the motion. Discussion followed. The motion carried.

Representative Rich Becker moved to amend **HB 2600** on page 2, line 6, by striking “four” and inserting “eight . . .” Representative Doug Lawrence seconded the motion. Discussion followed. Representative Becker withdrew the motion. Representative Lawrence withdrew the second.

Representative Tom Sloan moved to amend **HB 2600** on page 3, in line 5, after “a” by inserting “preliminary report to the house and senate committees on energy and natural resources on or before January 15, 1997, and a final . . .” Representative Doug Lawrence seconded the motion. The motion carried.

Representative Doug Lawrence moved that **HB 2600** be passed out favorably as amended. Representative Laura McClure seconded the motion. Discussion followed. The motion carried. Representative Tom Sloan requested to be recorded as voting nay.

The Committee decided to take no action on **HB 2623**.

Chairperson Holmes had a request not to take action on **HB 2707** today. The Committee agreed to wait until next Wednesday for discussion on **HB 2707**.

Since Chairperson Holmes will be gone Monday and Tuesday, the rest of the bills to be worked will be completed on Wednesday and Thursday. Vice Chair Freeborn will conduct the meetings on Monday and Tuesday when four bills will have hearings.

The meeting was adjourned at 4:45 p.m.

The next meeting is scheduled for February 19, 1996.

HOUSE BILL No. 2600

By Special Committee on Energy and Natural Resources
Re Proposal No. 30

12-20

10 AN ACT concerning retail electric service; establishing the retail wheeling
11 task force to study competition in such service; relating to authorization
12 of such competition by the state corporation commission.

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. (a) There is hereby established the retail wheeling task
16 force. The task force shall consist of 18 members, as follows:

17 ~~(1) The chairperson, vice chairperson and ranking minority member~~
18 ~~of the house committee on energy and natural resources, or a member~~
19 ~~of the house of representatives designated by such chairperson, vice-~~
20 ~~chairperson or ranking minority member;~~

21 ~~(2) the chairperson, vice chairperson and ranking minority member~~
22 ~~of the senate committee on energy and natural resources, or a member~~
23 ~~of the senate designated by such chairperson, vice chairperson or ranking~~
24 ~~minority member;~~

25 (3) a member of the staff of the state corporation commission des-
26 ignated by the chairperson of the commission;

27 (4) a representative of the citizens' utility ratepayer board designated
28 by the chairperson of the board;

29 (5) a representative of the department of commerce designated by
30 the secretary of commerce;

31 (6) an environmental technology expert who is an authority on re-
32 newable energy, designated by the legislative coordinating council;

33 (7) one representative of industrial electric customers, designated by
34 the legislative coordinating council;

35 (8) one representative of each of the following, designated by the
36 governing body of the association: Kansas electric cooperatives, inc., and
37 Kansas municipal utilities, inc.; and

38 (9) one representative of each of the following, designated by the
39 chief administrative officer of the company: Kansas City power and light,
40 midwest energy, sunflower electric cooperative, western resources and
41 West Plains energy.

42 (b) The chairperson of the house committee on energy and natural
43 resources, or the member of the house of representatives designated by

(1) Two members of the house of representatives appointed by the speaker of the house of representatives and one member of the house of representatives appointed by the minority leader of the house of representatives;

(2) two members of the senate appointed by the president of the senate and one member of the senate appointed by the minority leader of the senate;

— Kansas electric power cooperative,

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Attachment 1

1 such chairperson to serve as a member of the task force, shall serve as
 2 chairperson of the task force. The chairperson of the senate committee
 3 on energy and natural resources, or the member of the senate designated
 4 by such chairperson to serve as a member of the task force, shall serve
 5 as vice-chairperson of the task force.

6 (c) The task force shall meet at least four times a year on call of the
 7 chairperson of the task force.

8 (d) The staff of the ~~office of the revisor of statutes, the legislative~~
 9 ~~research department and the division of legislative administrative services~~
 10 ~~shall provide such assistance as may be requested by the task force and~~
 11 ~~authorized by the legislative coordinating council. The legislative division~~
 12 ~~of post-audit shall provide such assistance as may be requested by the~~
 13 ~~task force and authorized by the legislative post-audit committee. Each~~
 14 ~~state agency shall provide assistance to the task force as may be requested~~
 15 ~~by the task force.~~

state corporation commission

16 (e) Task force members shall receive amounts provided by subsection
 17 (e) of K.S.A. 75-3223 and amendments thereto for each day of actual
 18 attendance at any meeting of the task force or any subcommittee meeting
 19 approved by the task force. Such amounts paid to members enumerated
 20 in subsections (a)(1) through (a)(5) shall be paid from appropriations to
 21 the state agency of which the member is an officer or employee upon
 22 warrants of the director of accounts and reports pursuant to vouchers
 23 approved by the chief administrative officer of such agency. Such amounts
 24 paid to members enumerated in subsections (a)(6) through (a)(9) shall
 25 be paid from appropriations to the legislative coordinating council pur-
 26 suant to vouchers prepared by the director of legislative administrative
 27 services and approved by the chairperson or vice-chairperson of the leg-
 28 islative coordinating council.

29 (f) The task force shall study issues related to competition in the
 30 furnishing of retail electric service in this state, including but not limited
 31 to:

- 32 (1) Actions of the federal energy regulatory commission;
- 33 (2) the obligation of electric utilities to serve customers;
- 34 (3) the economic impact on each class of electric utility customer;
- 35 (4) the social impact on Kansas citizens;
- 36 (5) the impact on state general fund revenues and local franchise and
 37 tax revenues;
- 38 (6) the status of electrical generating facilities in a competitive envi-
 39 ronment;
- 40 (7) savings that may be achieved by electric utility mergers and down-
 41 sizing;
- 42 (8) recovery of stranded costs;
- 43 (9) unbundling of generation, transmission and distribution services;