

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on January 22, 1997 in Room 514-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes  
Mary Shaw, Committee Secretary

Conferees appearing before the committee: Rep. Carl Holmes, Chairman, Retail Wheeling Task Force  
Rep. Tom Sloan, Member Retail Wheeling Task Force

Others attending: See attached list

Chairperson Myers mentioned that the Committee will be meeting permanently in Room 514-S, and since there is a committee immediately following this one, this committee will need to vacate the room each morning by 9:50 a.m.

The Chair mentioned that this morning the Committee will hear from two Representatives that were members of the task force set up by legislation in 1996 to study retail wheeling. He mentioned the task force was made up of 23 members with 6 of them being legislators and the others from industry.

The Chair mentioned that as of this morning there are no bills assigned to the Committee.

The Chair introduced Representative Carl Holmes, Chairman of the Retail Wheeling Task Force, who gave a briefing on the task force. Representative Holmes referred to and highlighted portions of the Preliminary Report on Retail Wheeling by the Retail Wheeling Task Force. (Attachment #1)

Representative Holmes distributed a set of rate comparisons (Attachment #2) from 1994. Representative Holmes mentioned that on January 31, 1997 the Retail Wheeling Task Force will meet to pick a final consultant and the report is due August 1, 1997. Discussion and questions followed from Committee Members.

The Chair introduced Representative Tom Sloan, Member of the Retail Wheeling Task Force. Representative Sloan mentioned that he is not interested in deregulating the electric industry, but suggests to reregulate it. He mentioned he would like to see provided some aspects of competition, but maintain a very strong rule for a regulatory agency. Discussion and questions followed from Committee Members.

The Chair mentioned that retail wheeling is a complex issue and the Committee Members will spend more time in meetings educating themselves on that subject.

Representative McKinney made a motion that the Committee introduce a House Resolution requesting the Kansas Corporation Commission to conduct hearings and further investigate the matter of exit fees being charged by Kansas Nebraska Energy to its natural gas pipeline customers. Representative Johnson seconded the motion. Motion passed.

The meeting was adjourned at 9:55 a.m.

The next meeting is scheduled for January 23, 1997.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 22, 1997

NAME	REPRESENTING
CHRISTOPHER ARTH	KCC
Larry Holloway	KCC
Dave Heinemann	KCC
JOE DICK	KCK BPU
Dave Martin	KCP
Jamie Clover Adams	Governor's Office
TOM DAY	KCC
Jim Langford	DOB
Steve Painter	Wichita Eagle
Ivan Wyatt	Ko Farmers Union
Amy Thompson	R. Rice Law Office
BRUCE GRAHAM	ICSPCo
Stephen Parr	KEPCo
LEE EISENHOWER	PMAK
J.C. LONG	UtiliCorp United, Inc.
Whitney Damron	Empire District Electric Co.
Joy A Miles	Kansas Electric Corp.
Heinemann	KCC
ED SCHAUB	WESTERN RESOURCES

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 22, 1997

NAME	REPRESENTING
Rich McKee	K/A
DAVID B. SCHLOSSER	Pete McGinn & Assoc.
Kim Gully	League of KS Municipalities
Annette Lown	KU Student
RUSSELL LEWIS	KANSAS PUBLIC RADIO

PRELIMINARY REPORT ON  
**RETAIL WHEELING**

Presented to the

KANSAS LEGISLATURE

by the

RETAIL WHEELING TASK FORCE

January 1997

House Utilities  
1-22-97  
Attachment 1

## PRELIMINARY REPORT ON RETAIL WHEELING

(As Required by 1996 H.B. 2600)

### Background—Retail Wheeling Task Force

The 1996 Legislature enacted H.B. 2600, which established the Retail Wheeling Task Force (hereafter referred to as the Task Force), and authorized that Task Force to study issues related to competition in the furnishing of retail electric service in Kansas. As reflected in the bill, the 23-member Task Force represents all types of utilities (investor-owned, rural electric cooperatives, and municipals) and each customer class (residential, commercial, and industrial). The bill assigned the Task Force 18 charges, which the Task Force subsequently expanded to 21 charges. The anticipated duration of the Task Force's study is 18 months, with requirements for a preliminary report and a final report to be presented to the House and Senate Committees on Energy and Natural Resources in January 1997 and January 1998, respectively.<sup>1</sup> This schedule assumes that retail wheeling would not be implemented (if it is to be implemented) until after the 1998 Legislature received the final report and was afforded the opportunity to use it as a basis for policy recommendations on restructuring issues. This intent is further clarified by the express prohibition in the bill against the Kansas Corporation Commission (KCC) authorizing competition in the furnishing of retail electric service in Kansas prior to July 1, 1999.

### Background—Retail Wheeling

#### What Is Retail Wheeling?

In Edison Electric Institute's *Glossary of Electric Utility Terms*, "retail wheeling" is defined as "an unbundled transmission or distribution service that delivers electric power sold by a third-party directly to end-users. This service would allow a retail customer to buy power from someone other than the franchised local utility, but still receive delivery using the power lines of the franchised local utility." These alternative suppliers of electricity may be generating plants owned by other utilities, independent power producers (IPPs), or intermediaries, such as power marketers. With retail wheeling the generation component of a vertically integrated utility (monopoly) becomes deregulated. Under that scenario, neither the market for any generator's electricity, nor the price for that electricity is guaranteed. A utility may not necessarily be required to divest its generation facilities but it will be required, at a minimum, to unbundle or disaggregate its rates—separating the rates for supplying electricity from the rates for transmission and distribution—to make those rates explicit for purposes of allowing competition. Unlike the generation component, the distribution and transmission (the delivery) components of the utility likely will remain under state and federal regulation. The deregulation of the generation component has myriad implications for how electric power will be furnished to

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<sup>1</sup> As a result of legislative reorganization, it is presumed this issue will be addressed by the House and Senate Utilities Committees.

businesses and homes. The result of the Task Force's work should be a thorough understanding of those implications with recommendations, if necessary, for state legislative action. The policy issues that have stimulated considerable Task Force discussion and will require further study are briefly discussed below.

### **How Do Retail Customers in Kansas Currently Receive Electric Power?**

Currently, all six investor-owned electric utilities serving Kansas customers are regulated by both the KCC, with respect to retail transactions, and its federal counterpart, the Federal Energy Regulatory Commission (FERC), with respect to wholesale transactions. Only four of the 32 distribution rural electric cooperatives (RECs) are regulated by the KCC. The 121 municipal utilities are self-governing, except for the services to customers located at least three miles from municipal boundaries. The service to these customers is regulated by the KCC. Six RECs are owners of Sunflower Electric Power Corporation and 23 RECs are owners of the Kansas Electric Power Cooperative (KEPCo). (Sunflower and KEPCo are nonprofit generation and transmission cooperatives that are regulated by the KCC with limited oversight by FERC.) Of 121 municipal electric utilities, 64 generate their own power and the remaining 57 utilities are exclusively distributors.

As required by Kansas law, the state is divided into retail electric service territories. Within each territory, only one electric supplier may provide retail electric service to customers within that territory, as certified by the KCC. There is no statutory authority for retail customers to purchase electricity from any supplier other than the one certified to serve the territory. However, subject to the KCC's approval, retail electric suppliers may enter into agreements to establish other boundaries than those reflecting certificated areas. Nonetheless, retail wheeling could not occur without statutory amendments.

### **What Was the Impetus for Consideration of Restructuring the Electric Utility Industry in Kansas?**

H.B. 2600, which established the Retail Wheeling Task Force, was recommended by the 1995 Special Committee on Energy and Natural Resources as a result of an interim study on retail wheeling in Kansas. In addition to the previously discussed provisions, the bill authorized the KCC to open one or more generic dockets to study the issue of competition in the furnishing of retail electric service. Prior to the enactment of 1996 H.B. 2600, the KCC opened a generic docket to that end on January 17, 1996. Three issues supported the need for the KCC's investigation: (1) the increased competition of nonregulated generators due to actions by FERC; (2) pressure exerted on regulated utilities by large industrial customers; and (3) other state regulatory commission and legislative proceedings on such matters. A fourth issue—federal activity—also affected the KCC's decision to open the docket. Subsequent to that decision, certain federal actions related to restructuring have occurred. These actions and each of the other three issues are summarized briefly below:

1. **The Increased Competition of Nonregulated Generators.** The KCC noted in its order several actions taken by FERC to restructure the wholesale market (the market involving sales of electric energy to other electric utilities or public authorities for resale purposes). Moreover, the KCC's order noted: "The industry itself is changing in response to public and private initiatives. Since

1989, over 50 percent of the generating capacity added in the electric industry has been by nonregulated generators. The increasing ability of independent power producers to finance, complete, and market their generating projects, as opposed to the traditional regulatory ratebase treatment of such projects, shows that a competitive wholesale market for electricity is evolving." (The emergence of these IPPs is largely attributable to provisions in two federal acts—the Public Utility Regulatory Policies Act of 1978 and the Energy Policy Act of 1992.)

2. **Pressure by Large Industrial Customers.** The KCC's order noted the concern expressed by several Kansas utilities about their ability to retain large industrial customers as restructuring proceeds. Large industrial customers are the most lucrative of all the customers utilities serve and are most likely to be able to negotiate contracts with nonregulated generators at more favorable rates than regulated utilities might be currently authorized to charge.
3. **Other State Actions.** At the time the KCC issued its order (January 1996), several other state regulatory commissions had commenced proceedings but no state had enacted legislation. As of December 1996, four states have enacted legislation that authorizes retail wheeling (California, Rhode Island, Pennsylvania, and New Hampshire). Retail wheeling pilot projects have been implemented in Massachusetts, New Hampshire, New York, and Illinois, and have been authorized in Michigan and Washington. All states that have proceeded to restructure the electric utility industry have had to consider many major issues. These issues appear to fall under six headings:
  - a. transitional considerations;
  - b. economic impact;
  - c. service considerations;
  - d. environmental considerations;
  - e. impact on state and local government revenues; and
  - f. implications for the responsibilities of the KCC.
4. **Federal Activity.** Below are some of the recent actions at the federal level which necessitate a review from the Kansas perspective. The most important action was the issuance by FERC of Order No. 888 on April 24, 1996. Although full implementation did not occur until July 9, 1996, the Order required public utilities owning, controlling, or operating transmission lines to file nondiscriminatory open access tariffs that offer others the same transmission service they provide themselves. In the open access final rule, FERC issued a single pro forma tariff describing the minimum terms and conditions of service to bring about this nondiscriminatory open access transmission service. All public utilities that own, control, or operate interstate transmission facilities are required to offer service to others under the pro forma tariff. These utilities also must use the pro forma tariffs for

their own wholesale energy sales and purchases. Because of these open access requirements, retail electricity providers are afforded greater opportunities to access wholesale power at a lower cost. The Order also provided for the full recovery of stranded costs. Such costs had to be prudently incurred to serve power customers and could go unrecovered if the customers for whom the power was intended avail themselves of the open access provisions to switch to another supplier. In addition, several bills—most notably, H.R. 3790, sponsored by Congressman Dan Schaefer and H.R. 3782, sponsored by Representative Edward Markey— were introduced in the last Congress. These bills address the issue of restructuring of the electric utility industry, including retail competition, and the relative roles of state and federal regulatory agencies. None of these bills has been enacted, but similar pieces of legislation are likely to be introduced in Congress in 1997.

### **What Are Some Major Considerations in Restructuring the Electric Industry?**

The states leading the restructuring efforts, such as California, Rhode Island, and New Hampshire, are served predominantly by higher-cost, higher-priced utilities with expensive nuclear generating facilities and costly long-term power contracts. With the advent of competition in generation, these utilities are expected to incur significant "stranded" costs—costs that are not recoverable by electric providers under market-based rates. The examples of utilities in New Hampshire, Rhode Island, and California are most frequently cited as having high stranded costs because their debts are considerable and, therefore, their rates to all customer classes are among the highest in the country.

By contrast, according to a 1995 Edison Electric Institute (EEI) study of 202 investor-owned utilities, Kansas electric utility rates are, on average, approximately 13 percent lower than the national average. (Average rates, of course, mask considerable rate disparities among electric utilities for each customer class in Kansas.) Moreover, the EEI study does not address rural electric cooperative and municipal rates. Nonetheless, if retail wheeling were implemented, Kansas-utilities also would confront the same problem as their higher-cost counterparts in other states to the extent that their generation costs and purchased power costs exceed market clearing prices (prices established between buyers and sellers in an open market and not by regulators). If this issue is not addressed in a careful and thoughtful manner, the financial integrity of Kansas utilities might be jeopardized, with potentially serious consequences for both shareholders and customers.

The economic impact of restructuring is certainly intertwined with transitional considerations because stranded costs are essentially only considerations in the short term. In the long term, in a fully competitive environment, this will no longer be a consideration. Therefore, economic impact considerations require analysis for both the short term and the long term. According to Steve Daniel, a consultant from GDS who presented information to the Task Force, there has been very little state-specific or utility-specific analysis performed to date on the economic impact of retail wheeling.



## **What Are the Transitional Issues?**

In the short term, of major concern to all policymakers and regulators are the net transition costs or stranded costs to be incurred by existing suppliers of electricity to Kansas consumers, including efforts to "mitigate" or reduce the expenses and previous investment incurred by utilities for facility construction and maintenance and purchased power contracts. Arguably, utilities made large investments and entered into contracts to meet their obligations to serve based on projections of customer demand in a monopoly environment within a certificated territory. The advent of competition can be expected to change: where customers buy their electricity; how much that electricity will cost; and how much of it they will use. These changes are expected to result in costs which cannot be recovered by electric utilities in a more competitive environment ("stranded costs"). The question of who should pay for stranded costs and how will need to be answered. Another issue that needs to be addressed is the means of assuring consumer protection, with respect to, and providing information about, the purchase and use of electricity in a restructured environment. Finally, restructuring involves matching energy supply and demand at market clearing prices since the former monopoly structure will no longer provide the appropriate mechanism for such exchanges. What are the features of the existing industry structure that prevent such matches from occurring in an equitable and expeditious manner and how can barriers to such transactions be removed?

## **What Is the Economic Impact?**

The long-term economic impact of retail wheeling involves an analysis of the effects on each consumer class (residential, commercial, and industrial) and all existing suppliers (investor-owned utilities, generation and transmission cooperatives, generating municipal utilities, and independent power producers) of the deregulated generation component. An analysis of impact also would address the expected cost of energy supply and energy delivery to all customer classes in rural and urban areas of the state and the expected changes in energy use by all classes of customers in Kansas, including an analysis of factors that might contribute to such changes. The underlying policy questions are:

1. If retail wheeling is implemented, which classes of customers can be expected to pay more and where?
2. Which classes of customers can be expected to pay less and where?
3. How, if at all, will those cost projections affect projections for energy consumption?
4. What other factors might shape consumer behavior with respect to electric power consumption?

## **What Are the Service Considerations?**

As restructuring occurs, policymakers will need to ensure that all customers in the state have continued access to electric services, that the quality of service is not undermined, and that service is reliable. In a deregulated environment, in which competition exists, customers may exercise choice concerning the type, quality, and reliability of services. What protections

are necessary to assure customers will have service choices and receive the quality of service they choose?

### **What Is the Environmental Impact?**

How will retail wheeling affect air and water quality and water use? In other words, will competition among suppliers result in a different mixture of fuels used for generation in Kansas? What are the implications, if any, of such change for the state's water and air quality? How will renewable energy sources be addressed in a deregulated environment?

### **What Is the Impact on State and Local Government Revenues?**

Retail wheeling could, but might not necessarily, result in reduced demand for electric power generated by Kansas investor-owned utilities, the generation and transmission cooperatives, and certain municipal utilities. This reduction could result in reduced revenues to these utilities, which could in turn reduce state and local tax proceeds. In 1994, Kansas investor-owned utilities paid slightly more than \$141 million in various state and local taxes. In 1995, Kansas rural electric cooperatives, including Sunflower Electric Power Corporation and KEPCo, paid more than \$20.5 million in state and local taxes. According to the League of Kansas Municipalities, Kansas municipal electric utilities contributed over \$37.2 million to fund government operations in 104 Kansas cities in 1995. The contributions ranged from a low of \$0 in Elsmore to over \$12.8 million in Kansas City. The mean contribution was approximately \$358,000 and the median, approximately \$151,000. In addition to considerations of potentially lost revenues to the state and cities is the consideration of the "nonlevel playing field." Out-of-state electricity providers do not have the same tax obligations as in-state providers, which pay property taxes, sales and use taxes, corporate income taxes, and city franchise fees in Kansas. A presentation to the Task Force on the tax burden on Kansas utilities (Deloitte & Touche) indicated that Kansas investor-owned utilities had high tax burdens, as compared to their counterparts in other states. Particularly notable tax burdens are the property tax (tangible personal property is assessed at 33 percent) and the corporate income tax (specifically, the three-factor apportionment formula). The payment-in-lieu of tax obligations, such as the \$37.2 million in contributions in 1995 of municipal electric utilities, also may place these utilities in a competitive disadvantage compared to other types of electricity providers. To the extent that utility tax obligations and municipal contributions are greater than such obligations of other types of electricity providers and all other factors are equal, Kansas utilities will be placed at a competitive disadvantage in supplying power to Kansas customers. Moreover, out-of-state suppliers with more favorable tax burdens might place Kansas suppliers at a competitive disadvantage. Conversely, Kansas produced electricity in a retail wheeling environment, when sold into other states, may bear a greater state tax burden putting Kansas companies at a disadvantage in the new national marketplace. This could have the effect in a competitive environment of further eroding the utility's revenue base and, consequently, revenues to the state and local governments.

## **What Are the Implications of Restructuring for the Responsibilities of the KCC?**

One can expect differences in the KCC's responsibilities with respect to retail wheeling during the transition period, the short term after the transition occurs, and in the long term (at least ten years after the transition). During the transition period, the KCC might be involved in developing procedures and ensuring their compliance for the following: consumer protection and service, including low-income assistance programs; obligation to serve; unbundling of rates and services; recovery of "stranded costs"; mitigation efforts; possible rate structure modifications; service reliability; and retail wheeling pilot projects (if applicable). In the long term, it is assumed that generation services will no longer be subject to regulation and the KCC will increasingly assume a consumer protection role.

### **Committee Activities**

The Retail Wheeling Task Force met six times in 1996: August 5, August 20, September 4, November 14, December 4, and December 17. A subcommittee of the Task Force met three times in 1996: September 26, October 22, and November 7. The first three meetings of the full Task Force were devoted to gathering information about the nature and implications of retail wheeling and restructuring of the electric utility industry.

At the August 5 meeting, Task Force members heard a presentation from Dr. Matthew Morey, the Director of Economic Policy, Edison Electric Institute, on: the current electric power system in the United States; the Energy Policy Act of 1992; FERC actions regarding wholesale competition; congressional activity regarding the restructuring of the electric utility industry and retail choice; state regulatory and legislative developments; and other transitional issues involving competition in the electric utility industry.

At the August 20 meeting, various Task Force members or designees presented information about the implications of restructuring from the perspectives of their type of utility or customer class. Staff presented a memorandum on an overview of social, environmental, and public service issues related to electric utility restructuring. Jerry Lonergan, the Executive Director for the Kansas Electric Utilities Research Program, explained the mission, goals, and research program of that organization. The members of the Task Force also received information from a staff person of the KCC (also a member of the Task Force) on the electric facility siting laws and construction requirements in other states. Finally, the Task Force approved several changes to the charges included in H.B. 2600, which included the expansion of the number of issues for review from 18 to 21.

The meeting on September 4 was devoted to presentations by the general public on issues and concerns related to retail wheeling. Presentations were made by conferees representing: Kansas Industrial Consumers; J. C. Penney; Kansas Hospital Association; Kansas Chapter of the Sierra Club and the Kansas Natural Resource Council; American Association of Retired Persons; Kansas Farm Bureau; Kansas Independent Oil And Gas Association; and Amoco Oil Corporation. Task Force members also heard a presentation by staff of Deloitte & Touche, who presented information on some of the local and state tax implications of electric utility industry restructuring in Kansas. Part of the presentation was a discussion of the Kansas tax burden on electric utilities as it compared to tax burdens imposed on utilities in other states. There also was discussion about the issues identified collectively by the Task Force members

as having the highest priority for consideration: economic impact, stranded costs, and short term and long-term benefits of retail wheeling. The meeting concluded with the Task Force's agreement to have a bill drafted, upon request of Representative Tom Sloan, to be considered at a future meeting.

The three subcommittee meetings in September, October, and November were chaired by Jim Martin of Western Resources. These meetings resulted in the development of:

1. proposed clean-up legislation for Chapter 66 of *Kansas Statutes Annotated* —the Public Utility statutes; there was consensus to recommend amendments to six statutes which contained provisions that were obsolete or no longer relevant;
2. a working group (subcommittee) position paper on major retail wheeling issues which divided the general scope of Task Force study into overarching questions, with statements under each question reflecting points of general consensus of Task Force members, (where applicable) points of difference, and points requiring further study; and
3. a Task Force proposal authorizing a third-party study of retail wheeling that would entail engaging a consultant; payment for the study would not require appropriation of state funds and would primarily be financed by the various utilities represented on the Task Force.

The Task Force meeting on November 14 addressed the three products of the subcommittee. The Task Force approved the subcommittee's proposal to amend the six statutes in Chapter 66. The Task Force also reviewed the subcommittee's position paper (no action was needed as this is a working document). Finally, the Task Force approved adoption, with several modifications, of the proposal to hire a consultant to conduct a study on issues related to the five categories addressed above:

1. transitional issues;
2. economic impact issues;
3. service considerations;
4. environmental issues; and
5. impact on state and local government revenues.

Staff has facilitated the Request for Proposal (RFP) process, and selection of the winning proposal and acceptance of the final report will be reserved for the entire Task Force. The study is estimated to have a six-month duration, concluding August 1, 1997. The intent would be to use the findings of the consultant's report as a basis for Task Force deliberations and recommendations to the 1998 Legislature.

The remainder of the November 14 meeting was devoted to a hearing on Representative Sloan's draft legislation. This bill would assign the KCC jurisdiction over all generators in Kansas

until January 1, 2003, when stranded costs would be recovered, and require the KCC to adopt rules and regulations, implementing standards and procedures, as specified in the bill, to recover such costs. After January 1, 2003, transmission and distribution lines would be regulated for purposes enumerated in the bill. All persons engaged in the sale of electricity at retail and all persons using transmission and distribution systems, other than public utilities, would have to be licensed by the KCC. An Electric Energy Programs Fund would be established in the State Treasury. Proceeds from certain revenues collected by transmission facilities based on usage would be credited to the Fund. Costs associated with electric energy assistance, electric energy research, compensation for electric service providers of last resort, and other programs authorized by law would be financed from expenditures from the Fund. The KCC would determine the amount needed to finance the programs and tariffs would be adopted to meet those funding requirements effective January 1, 2003. The Task Force took no action on Representative Sloan's bill.

The meeting on December 4 was dedicated to a review of the RFP and the Task Force's preliminary report to the 1997 Legislature.

The meeting on December 17 was dedicated to reviewing and making modifications to the preliminary report to the 1997 Kansas Legislature. In addition, the members of the Task Force discussed the procedure for review of the responses to the RFP.

The remainder of the Task Force's work—until January 1998—will involve management and oversight of the consultant's activities and development of a final report for the 1998 Legislature incorporating the consultant's findings and the formulation of recommendations and proposed legislation, if applicable, on electric utility industry restructuring.

Rate Comparison, All Sectors

Kansas	Sales (Thousand kWh)	Rev/kWh (Cents)
1 ) UtiliCorp United Inc.	1,539,104	6.2
2 ) Western Resources Inc.	15,886,859	6.3
3 ) Kansas City Power & Light Co	3,978,626	7.1
4 ) Nemaha-Marshall Elec Co-op	41,314	7.4
5 ) Doniphan Electric Co-op Assn., Inc.	14,811	7.6
6 ) Victory Electric Co-op Assn., Inc.	89,693	7.6
7 ) Wheatland Electric Co-op, Inc.	420,410	8.1
8 ) Kaw Valley Elec. Co-op, Inc.	94,078	8.3
9 ) DS&O Rural Electric Co-op Assn.	86,699	8.4
10 ) Ninnescah RECA, Inc.	55,772	8.8
11 ) Pioneer Electric Co-op	242,088	8.9
12 ) Western Co-op Electric Assn., Inc.	105,604	8.9
13 ) C.&W. Rural Electric Co-op Assn.	35,280	9.3
14 ) Brown-Atchison Electric Co-op Assn.	31,657	9.4
15 ) Radiant Electric Co-op, Inc.	41,303	9.5
16 ) Smoky Hill Electric Co-op Assn.	37,256	9.5
17 ) C.M.S. Electric Co-op, Inc.	75,554	9.5
18 ) Sedgwick County Elec. Co-op	63,945	9.6
19 ) Lane-Scott Electric Co-op, Inc.	49,908	9.6
20 ) Flint Hills RECA, Inc.	61,695	9.7
21 ) Sekan Electric Co-op Assn., Inc.	47,676	10.0
22 ) Jewell-Mitchell Co-op Electric Co.	42,173	10.1
23 ) Lyon-Coffey Electric Co-op	77,053	10.2
24 ) Butler RECA, Inc.	80,121	10.4
25 ) Sumner-Cowley Electric Co-op, Inc.	56,524	10.5
26 ) Leavenworth-Jefferson Elec. Co-op	63,931	10.6
27 ) Northwest Kansas Elec. Co-op Assn	27,795	10.8
28 ) Norton-Decatur Co-op Electric Co.	70,593	10.9
29 ) United Electric Cooperative, Inc.	52,036	11.0
30 ) Ark Valley Electric Co-op Assn.	62,259	11.0
31 ) N.C.K. Electric Co-op, Inc.	27,664	11.2
32 ) Caney Valley Electric Co-op Assn.	46,393	11.7
33 ) PR&W Electric Co-op Assn.	29,890	11.7
34 ) Twin Valley Electric Co-op	22,337	11.7
State	23,658,101	6.6

source: 1994 RUS/DOE data

House Utilities  
1-22-97  
Attachment 2

## Residential Rate Comparison

Kansas	Monthly Bill	Rev/kWh
	(Dollars)	(Cents)
1 ) Nemaha-Marshall Elec Co-op	72.42	7.3
2 ) Kansas City Power & Light Co	72.52	7.5
3 ) Doniphan Electric Co-op Assn., Inc.	58.67	7.6
4 ) Western Resources Inc.	117.78	7.8
5 ) UtiliCorp United Inc.	54.08	8.0
6 ) DS&O Rural Electric Co-op Assn.	77.95	8.5
7 ) Kaw Valley Elec. Co-op, Inc.	84.65	8.7
8 ) Brown-Atchison Electric Co-op Assn.	78.03	9.3
9 ) Victory Electric Co-op Assn., Inc.	74.59	9.3
10 ) Sedgwick County Elec. Co-op	111.82	9.5
11 ) C.&W. Rural Electric Co-op Assn.	87.11	9.7
12 ) Flint Hills RECA, Inc.	71.38	9.9
13 ) Jewell-Mitchell Co-op Electric Co.	66.60	10.0
14 ) Ninnescah RECA, Inc.	76.30	10.2
15 ) Smoky Hill Electric Co-op Assn.	63.55	10.2
16 ) Western Co-op Electric Assn., Inc.	64.77	10.2
17 ) Lyon-Coffey Electric Co-op	86.70	10.2
18 ) C.M.S. Electric Co-op, Inc.	68.19	10.3
19 ) Pioneer Electric Co-op	91.62	10.4
20 ) Leavenworth-Jefferson Elec. Co-op	86.52	10.5
21 ) Radiant Electric Co-op, Inc.	84.52	10.5
22 ) Sekan Electric Co-op Assn., Inc.	80.45	10.6
23 ) Sumner-Cowley Electric Co-op, Inc.	96.41	10.7
24 ) Butler RECA, Inc.	109.46	10.7
25 ) Lane-Scott Electric Co-op, Inc.	68.04	10.8
26 ) Wheatland Electric Co-op, Inc.	75.15	11.2
27 ) United Electric Cooperative, Inc.	77.07	11.3
28 ) Norton-Decatur Co-op Electric Co.	58.46	11.6
29 ) Ark Valley Electric Co-op Assn.	91.76	11.6
30 ) Twin Valley Electric Co-op	89.32	11.6
31 ) N.C.K. Electric Co-op, Inc.	76.28	11.7
32 ) Northwest Kansas Elec. Co-op Assn	78.35	11.8
33 ) Caney Valley Electric Co-op Assn.	68.31	11.9
34 ) PR&W Electric Co-op Assn.	92.28	12.0
State	93.41	8.0

source: 1994 RUS/DOE data

Commercial Rate Comparison

Kansas	Sales (Thousand kWh)	Rev/kWh (Cents)
1 ) Western Resources Inc.	5,368,412	6.2
2 ) Kaw Valley Elec. Co-op, Inc.	20,144	6.9
3 ) Kansas City Power & Light Co	1,810,727	6.9
4 ) UtiliCorp United Inc.	481,151	7.1
5 ) Nemaha-Marshall Elec Co-op	6,505	7.6
6 ) Doniphan Electric Co-op Assn., Inc.	1,955	7.7
7 ) Radiant Electric Co-op, Inc.	16,333	7.9
8 ) DS&O Rural Electric Co-op Assn.	18,646	8.3
9 ) Western Co-op Electric Assn., Inc.	81,568	8.6
10 ) Smoky Hill Electric Co-op Assn.	19,692	8.8
11 ) Flint Hills RECA, Inc.	15,104	9.0
12 ) Ninnescah RECA, Inc.	16,617	9.1
13 ) C.M.S. Electric Co-op, Inc.	47,394	9.1
14 ) Victory Electric Co-op Assn., Inc.	15,748	9.1
15 ) Sedgwick County Elec. Co-op	10,908	9.2
16 ) Lane-Scott Electric Co-op, Inc.	35,065	9.4
17 ) Sekan Electric Co-op Assn., Inc.	9,276	9.5
18 ) Butler RECA, Inc.	14,833	9.7
19 ) Pioneer Electric Co-op	130,962	9.8
20 ) Sumner-Cowley Electric Co-op, Inc.	17,122	10.0
21 ) Northwest Kansas Elec. Co-op Assn	11,304	10.0
22 ) Lyon-Coffey Electric Co-op	23,422	10.4
23 ) Jewell-Mitchell Co-op Electric Co.	8,248	10.5
24 ) United Electric Cooperative, Inc.	8,145	10.5
25 ) Brown-Atchison Electric Co-op Assn.	3,478	10.5
26 ) Norton-Decatur Co-op Electric Co.	38,411	10.5
27 ) Ark Valley Electric Co-op Assn.	10,367	10.6
28 ) C.&W. Rural Electric Co-op Assn.	2,632	10.8
29 ) PR&W Electric Co-op Assn.	2,489	10.9
30 ) Wheatland Electric Co-op, Inc.	97,906	11.0
31 ) Leavenworth-Jefferson Elec. Co-op	4,861	11.2
32 ) Caney Valley Electric Co-op Assn.	3,127	11.3
33 ) N.C.K. Electric Co-op, Inc.	2,395	11.9
34 ) Twin Valley Electric Co-op	3,314	12.0
State	8,358,261	6.6

source: 1994 RUS/DOE data



### Industrial Rate Comparison

<b>Kansas</b>	<b>Sales</b> (Thousand kWh)	<b>Rev/kWh</b> (Cents)
1 ) UtiliCorp United Inc.	618,271	4.0
2 ) Butler RECA, Inc.	2,227	4.7
3 ) Western Resources Inc.	5,410,034	4.9
4 ) Ninnescah RECA, Inc.	11,057	5.2
5 ) Jewell-Mitchell Co-op Electric Co.	574	5.3
6 ) Victory Electric Co-op Assn., Inc.	35,436	5.4
7 ) Wheatland Electric Co-op, Inc.	220,837	5.4
8 ) <b>Kansas City Power &amp; Light Co</b>	414,180	5.5
9 ) Sekan Electric Co-op Assn., Inc.	4,106	5.8
10 ) C.&W. Rural Electric Co-op Assn.	5,431	5.9
11 ) Pioneer Electric Co-op	61,380	5.9
12 ) N.C.K. Electric Co-op, Inc.	3,719	6.2
13 ) DS&O Rural Electric Co-op Assn.	4,147	6.8
14 ) Ark Valley Electric Co-op Assn.	10,573	8.7
15 ) PR&W Electric Co-op Assn.	1,706	9.0
16 ) Lyon-Coffey Electric Co-op	3,798	9.9
17 ) United Electric Cooperative, Inc.	4,893	10.1
18 ) Kaw Valley Elec. Co-op, Inc.	798	10.6
19 ) Sedgwick County Elec. Co-op	585	13.8
20 ) Caney Valley Electric Co-op Assn.	1,213	14.4
<b>State</b>	<b>6,814,965</b>	<b>4.9</b>

source: 1994 RUS/DOE data