

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on January 31, 1997 in Room 313-S of the Capitol.

All members were present except: Rep. Mayans - excused

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

Conferees appearing before the committee: Staff of the Kansas Corporation Commission

Others attending: See attached list

Chairperson Myers mentioned that the Kansas Corporation Commission has returned for more questions from the Committee members. Glenda Cafer, Director of the Utilities Division for the Kansas Corporation Commission, introduced members of the staff of the Kansas Corporation Commission who were present to answer questions. A copy of the Spot Market Gas Price Index was distributed to the Committee (Attachment #1). Also distributed was a booklet regarding Chapter 66 Statutes and Chapter 77 Statutes Rules of Practice & Procedure to the Committee Members and copies of these are on file with the Kansas Legislative Research Department.

Questions and discussion followed. Glenda Cafer, in closing, mentioned that the Kansas Corporation Commission believes that they have honored the Telecommunications Act of the statehouse last year. She mentioned that they have balanced the interests of all Kansans and it must be kept in mind some of the poorest people in the state are paying into this fund (Universal Service Fund) so there had to be some control over it. She felt it was important to note that the average business rate in rural communities is \$10 to \$15 and the average rate in urban communities is \$25 to \$30. She felt the Commission does want to keep multi-line business rates affordable, but if they are affordable at \$25 - \$30 then there is room for those rates to go up, and in the competitive environment, the more you have the rates cover your cost the better the marketplace works and that is a consideration as well.

Representative Aurand made a motion to have the Committee introduce a couple of bills in regard to retail wheeling, one a general bill in regard to retail wheeling that needs to be in bill form to further discussion and the second bill to deal more with the particular end of generation concerning the spinning off of the generation. The motion was seconded by Representative Samuelson. Motion passed.

Representative Samuelson made a conceptual motion for a Committee bill for the purpose of clarification of what it was the Legislature meant and what is appropriate regarding the universal service fund so it can be opened up to hearings. The motion was seconded by Representative Alldritt. Motion passed. The Chair mentioned since Representative Samuelson and Representative McClure both had questions regarding this issue, he asked that they work with the Revisor of Statutes to prepare it.

Representative McKinney made a motion that the Committee introduce a bill governing the assignment of the Kansas Corporation Commission Staff hired from regulated industry and the movement of persons employed by the Kansas Corporation Commission to employment in the regulated industry. The motion was seconded by Representative Alldritt. Motion passed.

Representative Myers introduced a motion for Staff to provide a conceptual retail wheeling bill that he is designing. The motion was seconded by Representative Aurand. Motion passed.

The Chair mentioned that next Tuesday, February 4, 1997, there will be a hearing on HB 2140 for proponents and a hearing for the opponents will be scheduled the week of February 10, 1997.

The Chair told the Committee that the Retail Wheeling Task Force is meeting this afternoon, January 31, 1997, in Room 313-S at 1:00 p.m. The meeting was adjourned at 9:50 a.m. The next meeting is scheduled for February 4, 1997.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 31, 1997

NAME	REPRESENTING
Gluda Cadu	KCC
Dave D. Harmon	KCC
Larry Holloway	KCC
William Wix	KCC - Conserv. Wichita
Nancy Heinz	" " "
Rob Hodges	Ks Telecom Assn.
Tom Gleason	Independent Telecom. Group
Tom Schwarz	KCC
Jerry Lammers	KCC
MONTGOMERY ESCUE	CCE.
Doug Will	Western Resources
DONALD SUDGRASS	KANSAS FORD DEALERS ASSOCIATION
Roger Bales	KCPR
Jim Langford	DBB
J. C. LONG	UtiliCorp United, Inc.
Mike Mearhan	KCTA
Carroll O'Neil	AT+T
Mike Reelst	AT+T
John S. Pinegar	State Independent Telephone Assn.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 31, 1997

NAME	REPRESENTING
James K. Caplinger	Caplinger chartered
Denny Koch	SW Bell Tel.
Tom Bruno	Allen & Assoc.
Mike Scott	SW Bell Tel.
Shirley Allen	SWBT
Tom Day	KCC
Steve Montgomery	MCI

SPOT GAS PRICE INDEX OF SELECTED GAS COMPANIES
INDEX PER MMBTU (DRY)

DATE	NATURAL GAS (ARKLA)		NORTHERN NATURAL GAS CO. (TX, OK, KS)	PANHANDLE		WILLIAMS NATURAL GAS CO. (TX, OK, KS)	AVERAGE PRICE OF INDEX
	ANR PPLNE CO. (OK)	PPLNE CO. OF AMERICA (OK)		NORAM GAS TRANS. (AR, OK)	EASTERN PPLNE CO. (TX, OK, MAINLINE)		
JANUARY '93	1.900	1.910	1.920	1.900	1.950	2.030	1.935
FEBRUARY	1.600	1.600	1.600	1.500	1.610	1.650	1.593
MARCH	1.820	1.840	1.820	1.750	1.830	1.850	1.818
APRIL	2.080	2.080	2.080	1.950	2.100	2.070	2.060
MAY	2.620	2.580	2.550	2.450	2.550	2.570	2.553
JUNE	1.950	1.800	1.800	1.710	1.850	1.750	1.810
JULY	1.790	1.800	1.810	1.710	1.790	1.730	1.772
AUGUST	1.910	1.930	2.000	1.810	1.930	1.860	1.907
SEPTEMBER	2.200	2.170	2.280	2.050	2.180	2.100	2.163
OCTOBER	1.900	1.850	1.910	1.800	1.900	1.830	1.865
NOVEMBER	1.900	1.880	1.980	1.810	1.900	1.830	1.883
DECEMBER	2.230	2.220	2.250	2.260	2.230	2.250	2.240
JANUARY '94	1.960	1.930	1.970	1.890	1.970	1.940	1.943
FEBRUARY	2.120	2.090	2.150	1.970	2.120	2.100	2.092
MARCH	2.140	2.140	2.170	2.030	2.140	2.110	2.122
APRIL	1.810	1.800	1.830	1.730	1.800	1.760	1.788
MAY	1.840	1.840	1.920	1.730	1.840	1.770	1.823
JUNE	1.590	1.560	1.670	1.470	1.570	1.530	1.565
JULY	1.670	1.680	1.780	1.600	1.650	1.610	1.665
AUGUST	1.570	1.590	1.680	1.530	1.570	1.550	1.582
SEPTEMBER	1.400	1.400	1.410	1.360	1.410	1.330	1.385
OCTOBER	1.300	1.300	1.310	1.220	1.310	1.240	1.280
NOVEMBER	1.510	1.520	1.520	1.440	1.520	1.450	1.493
DECEMBER	1.600	1.600	1.600	1.570	1.600	1.600	1.595
JANUARY '95	1.510	1.500	1.520	1.460	1.510	1.510	1.502
FEBRUARY	1.270	1.260	1.320	1.210	1.270	1.230	1.260
MARCH	1.260	1.270	1.305	1.200	1.270	1.240	1.258
APRIL	1.340	1.340	1.395	1.260	1.340	1.270	1.324
MAY	1.450	1.440	1.515	1.370	1.450	1.400	1.438
JUNE	1.460	1.450	1.545	1.390	1.470	1.440	1.459
JULY	1.250	1.240	1.340	1.200	1.250	1.230	1.252
AUGUST	1.190	1.200	1.260	1.170	1.200	1.180	1.200
SEPTEMBER	1.410	1.410	1.465	1.380	1.410	1.420	1.416
OCTOBER	1.500	1.500	1.520	1.460	1.500	1.490	1.495
NOVEMBER	1.610	1.610	1.650	1.570	1.610	1.600	1.608
DECEMBER	1.880	1.880	1.955	1.840	1.890	1.880	1.888
JANUARY '96	2.020	2.000	2.050	1.930	2.000	2.030	2.005
FEBRUARY	1.790	1.790	1.860	1.730	1.810	1.840	1.803
MARCH	1.900	1.900	1.915	1.870	1.900	1.900	1.898
APRIL	2.140	2.140	2.190	2.060	2.140	2.150	2.137
MAY	2.010	2.010	2.070	1.950	2.000	2.000	2.007
JUNE	2.050	2.050	2.125	1.980	2.050	2.030	2.048
JULY	2.180	2.180	2.255	2.100	2.180	2.180	2.179
AUGUST	2.140	2.140	2.205	2.030	2.130	2.140	2.131
SEPTEMBER	1.670	1.670	1.715	1.570	1.670	1.670	1.661
OCTOBER	1.690	1.690	1.715	1.640	1.700	1.680	1.684
NOVEMBER	2.500	2.490	2.450	2.480	2.510	2.500	2.488
DECEMBER	3.600	3.620	3.580	3.520	3.610	3.680	3.602

SOURCE: INSIDE F.E.R.C.'S GAS MARKET REPORT, PRICES OF SPOT GAS DELIVERED TO PIPELINES, FIRST ISSUE EACH MONTH

House Utilities
1-31-97
Attachment 1

MONTH	UNITED CITIES FIRM PGA	WESTERN RESOURCES K-SYSTEM T-SYSTEM	UTILI CORP PEOPLES	UNITED KPS	MIDWEST ENERGY SYSTEM WIDE	GREELEY GAS KAW VALLEY DIV.	K N ENERGY RS-2	
JAN.96								
GAS COST	\$3.1641	\$3.6437	\$2.5602	\$3.3755	\$3.4611	\$3.0722	\$3.0576	\$4.7015
MARGIN	\$1.7737	\$1.1248	\$1.8009	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$4.9378	\$4.7685	\$4.3611	\$4.6755	\$4.8818	\$4.9772	\$5.7017	\$5.3919
JUL.96								
GAS COST	\$3.3356	\$3.9957	\$2.6476	\$2.4899	\$3.4687	\$2.4041	\$3.1055	\$2.6777
MARGIN	\$1.7737	\$1.4337	\$2.1465	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$5.1093	\$5.4294	\$4.7941	\$3.7899	\$4.8894	\$4.3091	\$5.7496	\$3.3681
AUG.96								
GAS COST	\$3.5532	\$3.6893	\$3.0042	\$2.4786	\$3.4396	\$2.4041	\$3.3369	\$2.6777
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$5.3269	\$5.1138	\$5.1415	\$3.7786	\$4.8603	\$4.3091	\$5.981	\$3.3681
SEPT.96								
GAS COST	\$3.5512	\$3.6525	\$2.9946	\$2.0969	\$3.0908	\$2.4041	\$2.9257	\$2.6777
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$5.3249	\$5.077	\$5.1319	\$3.3969	\$4.5115	\$4.3091	\$5.5698	\$3.3681
OCT.96								
GAS COST	\$3.0848	\$3.5944	\$3.0472	\$2.2034	\$3.1008	\$2.4041	\$2.5872	\$2.9524
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$4.8585	\$5.0189	\$5.1845	\$3.5034	\$4.5215	\$4.3091	\$5.2313	\$3.6428
NOV.96								
GAS COST	\$2.6858	\$3.5853	\$3.0287	\$3.88	\$4.1102	\$2.4041	\$2.6924	\$5.109
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.3	\$1.4207	\$1.905	\$2.6441	\$6904
CUST. RATE	\$4.4595	\$5.0098	\$5.166	\$5.18	\$5.5309	\$4.3091	\$5.3365	\$5.7994
DEC.96								
GAS COST	\$3.4839	\$3.8583	\$3.182	\$4.7172	\$4.5323	\$2.4222	\$4.3341	\$5.109
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.541	\$1.541	\$1.905	\$2.6441	\$6904
CUST. RATE	\$5.2576	\$5.2828	\$5.3193	\$6.2582	\$6.0733	\$4.3272	\$6.9782	\$5.7994
JAN.97								
GAS COST	\$4.616	\$4.2369	\$3.3443	\$5.2755	\$5.0142	\$2.5047	\$4.1959	\$5.109
MARGIN	\$1.7737	\$1.4245	\$2.1373	\$1.541	\$1.541	\$1.905	\$2.6441	\$6904
CUST. RATE	\$6.3897	\$5.6614	\$5.4816	\$6.8165	\$6.5552	\$4.4097	\$6.84	\$5.7994