

Approved: _____

Date 4/2/97
DM

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on March 21, 1997 in Room 519-S of the Capitol.

All members were present except: Rep. Mayans - excused
Rep. Toelkes - excused

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

Conferees appearing before the committee: Penny Tvrdik, UtiliCorp

Others attending: See attached list

Chairperson Don Myers introduced Ms. Penny Tvrdik, of UtiliCorp, who gave a briefing on Stranded Cost in Relation to Electric Retail Restructuring. (Attachment #1) The Chair thanked Ms. Tvrdik for her presentation before the Committee. Questions and discussion followed.

The Chair mentioned that the Committee would be working **SB 207** and he apologized to Ms. Tvrdik for having to shorten the presentation.

SB 207 - KCC investigations and hearings; administrative procedure

The Chair opened the meeting to discussion regarding **SB 207**. Discussion followed.

The Chair recognized Tom Day, Legislative Liaison, Kansas Corporation Commission, who explained a proposed amendment that the KCC had prepared for Committee consideration at the request of Representative Sloan. Mr. Day explained that this is the second amendment from the KCC and is similar to the amendment proposed for Committee consideration when **SB 207** was heard in the Committee on March 18, 1997. He further mentioned that this second amendment also contains similar language that Empire Electric proposed in their amendment for Committee consideration on March 18, 1997, by Mr. Whitney Damron. Discussion followed.

Representative Sloan made a motion to adopt the concept of the balloon amendment proposed by the KCC (Attachment #2). Representative Aurand seconded the motion. Motion passed. Discussion followed.

Representative McKinney made a motion to conceptually amend the language in Page 1, first sentence, of the Kansas Corporation Commission balloon amendment from, "shall not publish and file with the commission," to "the commission shall have the authority to exempt from publishing and filing," and at the beginning of the second sentence in the balloon amendment, Page 1, to conceptually amend the language from, "the commission may require or permit," to "once exempted, the commission". Representative Sloan seconded the motion. Motion passed.

Representative Sloan made a conceptual motion to amend the balloon amendment on Page 3, line 29, and in subsequent similar situations throughout the bill, to change "shall" to "may". Representative Johnson seconded the motion. Discussion followed.

Representative Aurand made a motion to amend **HB 2140** into **SB 207** since the Senate Energy Committee had tabled the bill (Attachment #3). Representative Aurand further explained that by looking at the amendment, on Page 1, new Section 12, subsection (a) and on Page 2, subsection (b) the language would make it germane to **SB 207**. Representative Humerickhouse seconded the motion. Motion passed.

Representative Sloan made a motion to recommend **SB 207** favorable for passage as amended. Representative Dreher seconded the motion. Motion passed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 514-S Statehouse, at 9:00 a.m. on March 21, 1997.

The Chair acknowledged Representative McKinney who mentioned that as the Ranking Minority Member of the Committee, he appreciated the openness and willingness of Chairperson Myers to work with everybody on the Committee and run a fair procedure.

The meeting was adjourned at 9:50 a.m.

This was the last regular session meeting, the remaining meetings are on call of the Chair.

House Utilities
2-21-97
Attachment 1.

Electric Customer Choice Dollars and Sense

Presentation by

Penny Tvrdik

UtiliCorp United Inc./

West Plains Energy

March 21, 1997

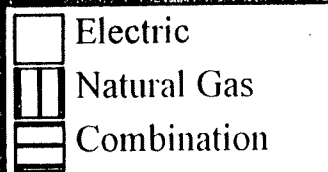
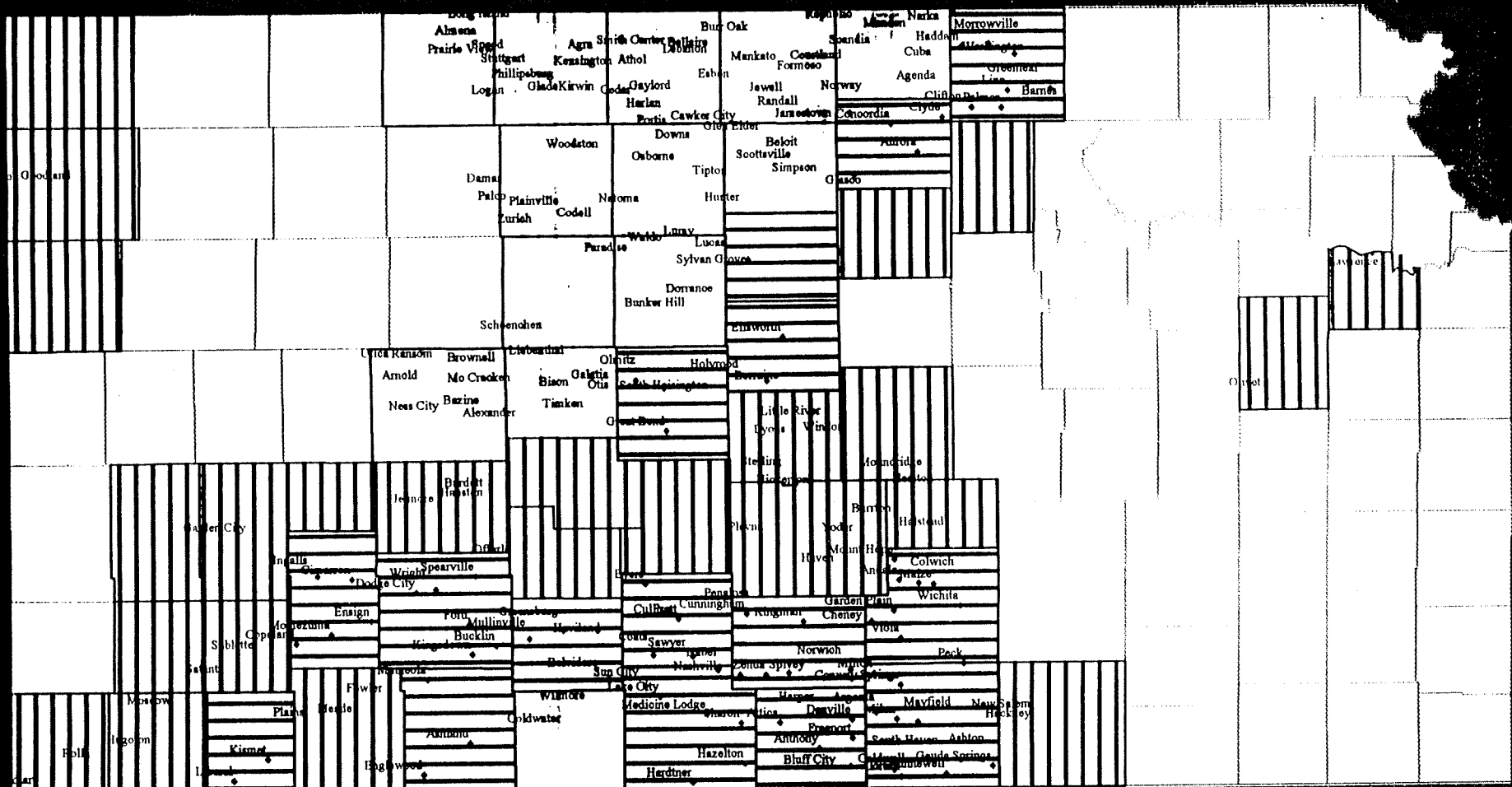


UCU Kansas Facts

Electric Customers (West Plains Energy)	66,000
Gas Customers (Peoples Natural Gas; Kansas Public Service)	95,000
Kansas Investment	\$185,000,000
Generating Capacity	950 MW
Aver. Community	<1000 Customers

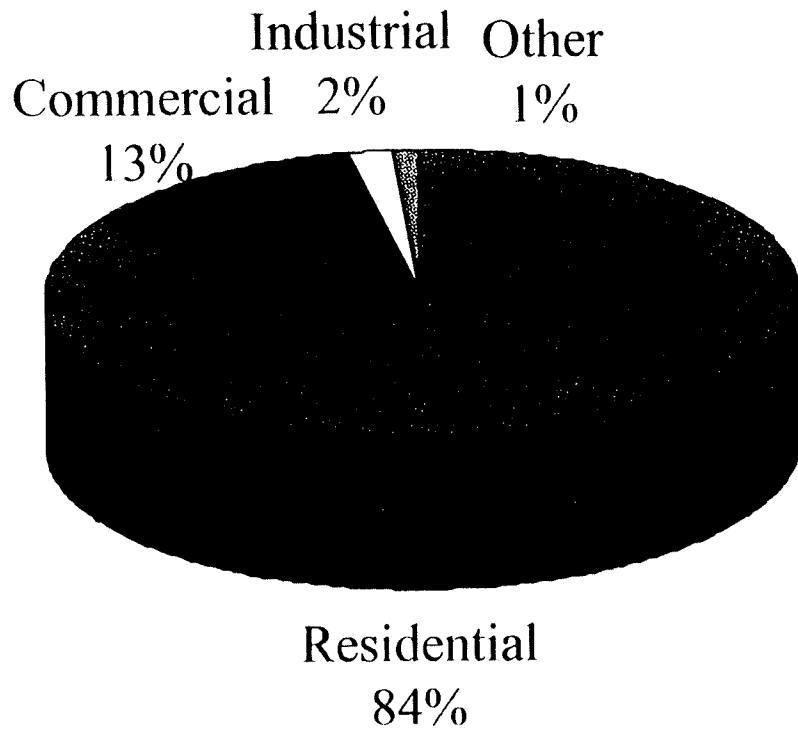


UtiliCorp Kansas Service Territory

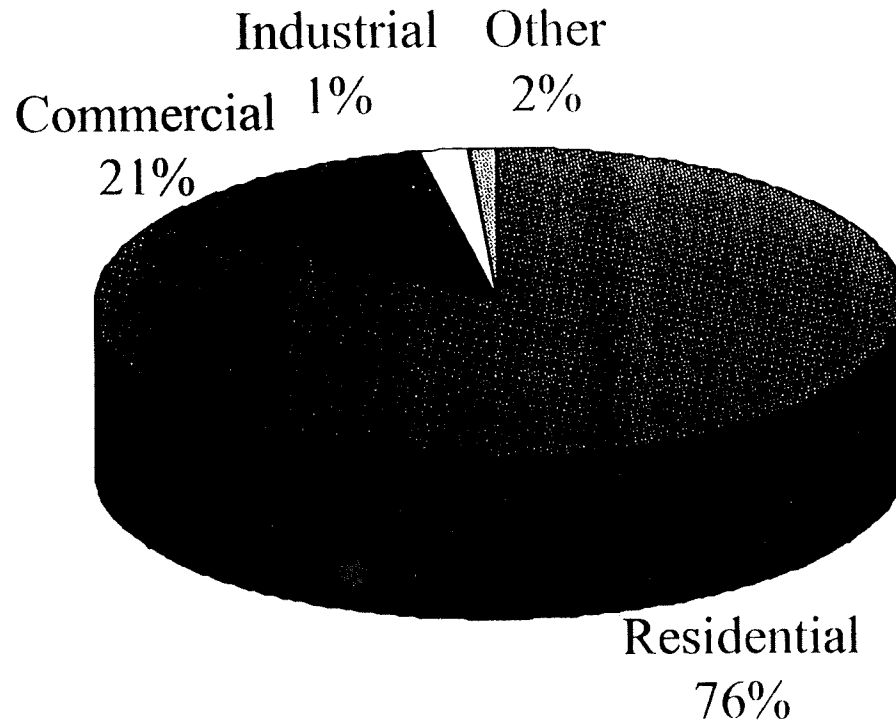


Customer Breakdown Total Kansas vs. West Plains

KANSAS

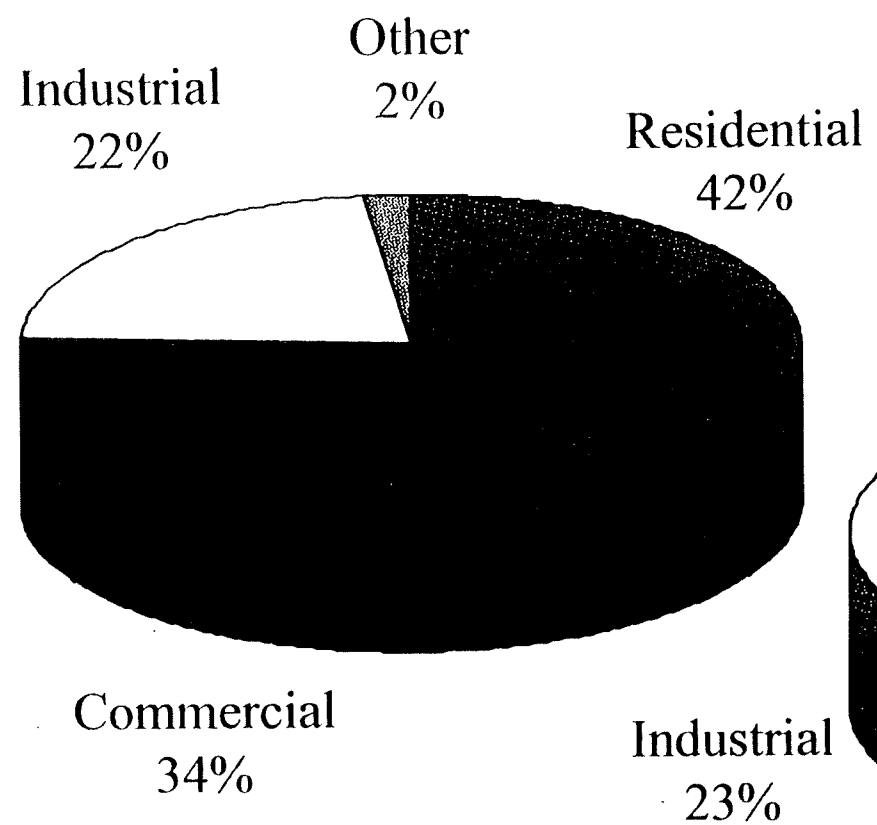


WEST PLAINS

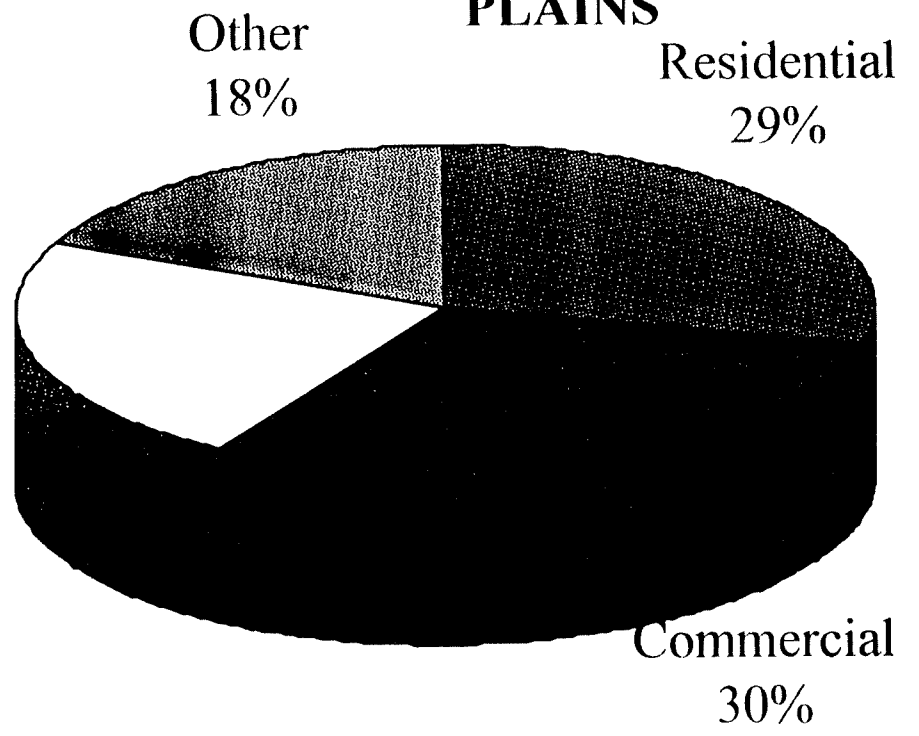


Revenues Breakdown Total Kansas vs. West Plains Energy

KANSAS



WEST PLAINS

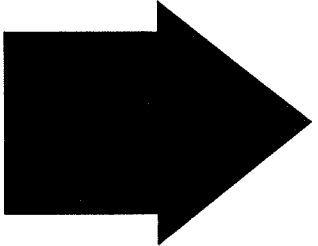
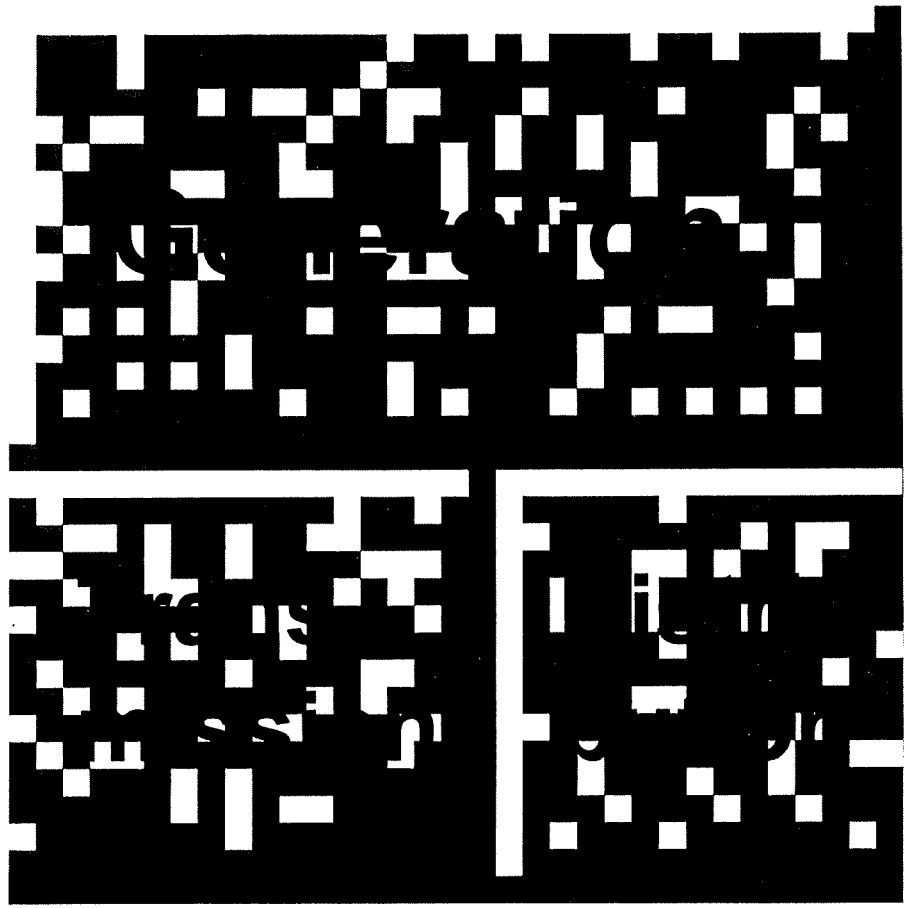


Rate Comparison

	<u>Res.</u>	<u>Comm.</u>	<u>Ind.</u>	<u>Aver.</u>
Publicly Owned	7.3	6.3	4.5	6.1
Cooperatives	9.8	9.5	6.3	8.6
Investor Owned	7.7	6.4	4.9	6.4
West Plains	7.9	7.2	3.9	6.4



Yesterday's Energy World



CUSTOMER



Electric Customer Choice

What Is It?

- Separating integrated electric industry into:

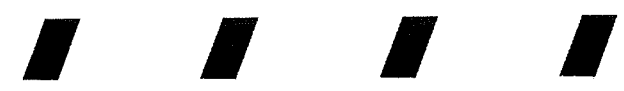
Generation

Distribution

Transmission

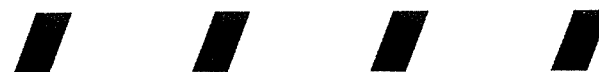
Sales

- Wires become open access
- Customers have choice of electric energy vendors



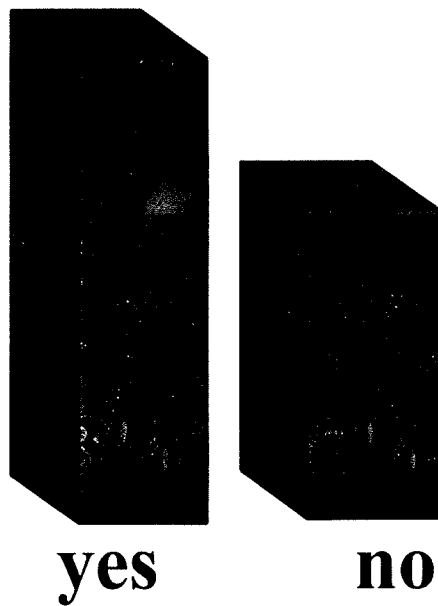
Bills Currently in Legislature

- HB 2316 Customer Choice**
- HB 2500 Customer Choice (ALEC)**
- HB 2503 Redefines “utility” to
exclude generation**

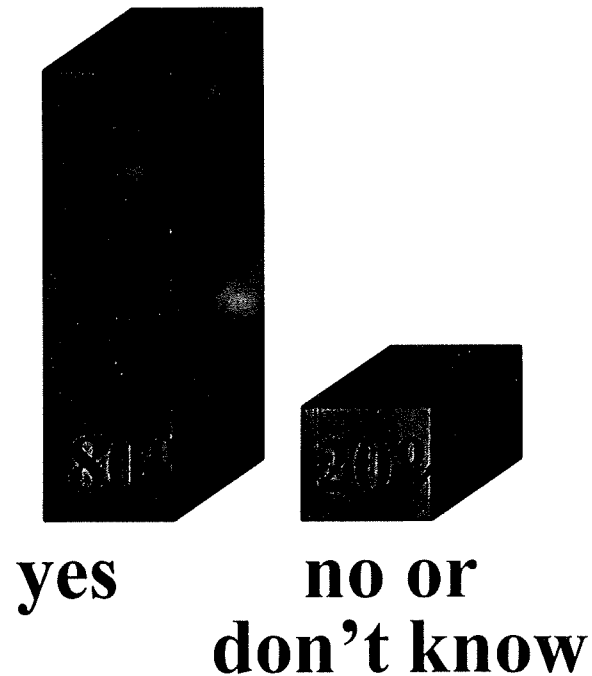


Survey of UCU Customers

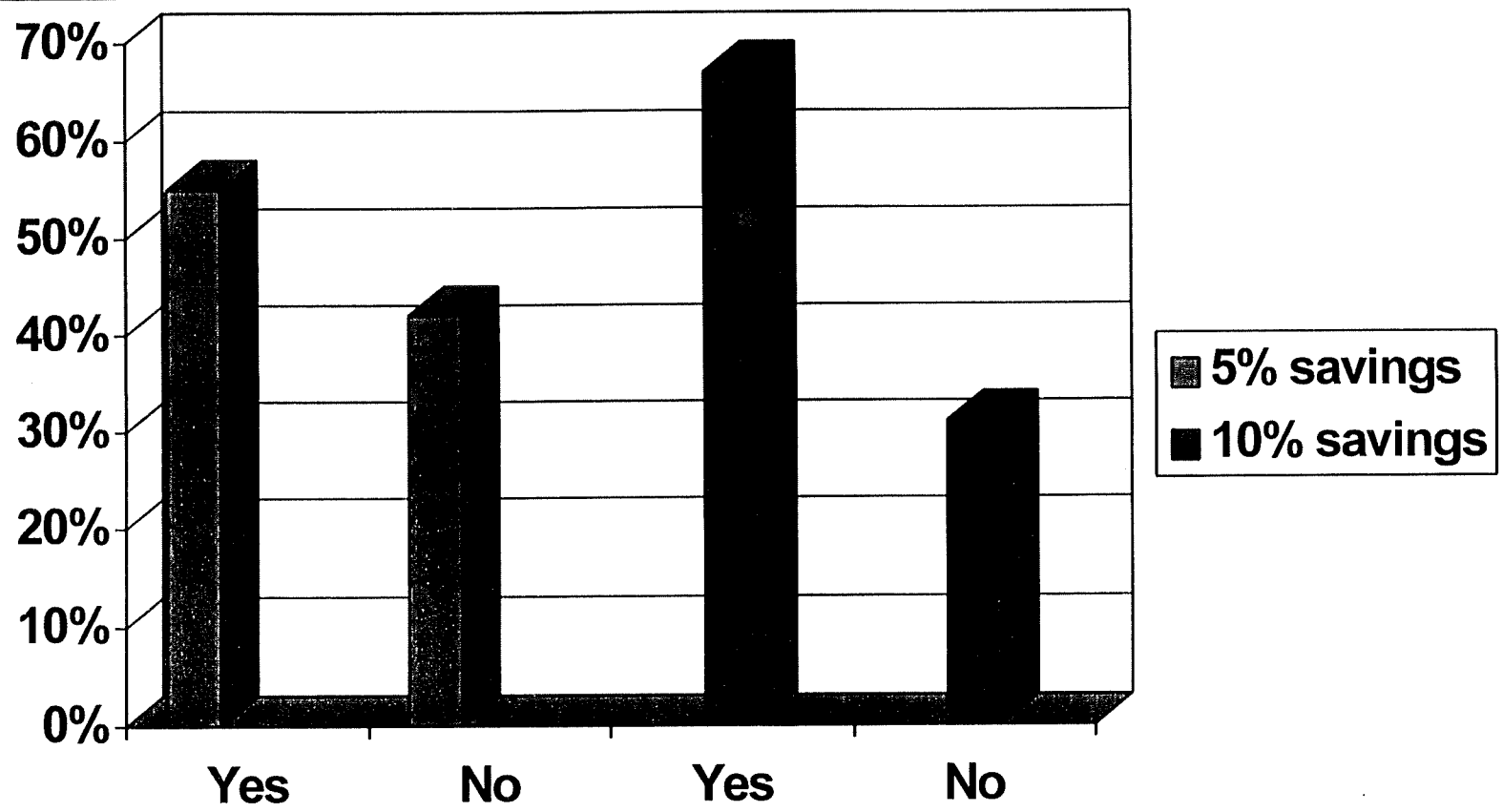
**Would switch for
5% savings**



**Would switch for
15% savings**



Likelihood of switching electric providers--Nebraska



Majority of Nebraska public power customers willing to switch providers for nominal savings!



ICR Survey Research Group

December 1996

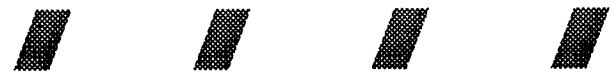
- 74% said all homeowners should be able to buy power from competing companies**
- 61% more likely to vote for congressman if he/she supported electric competition**





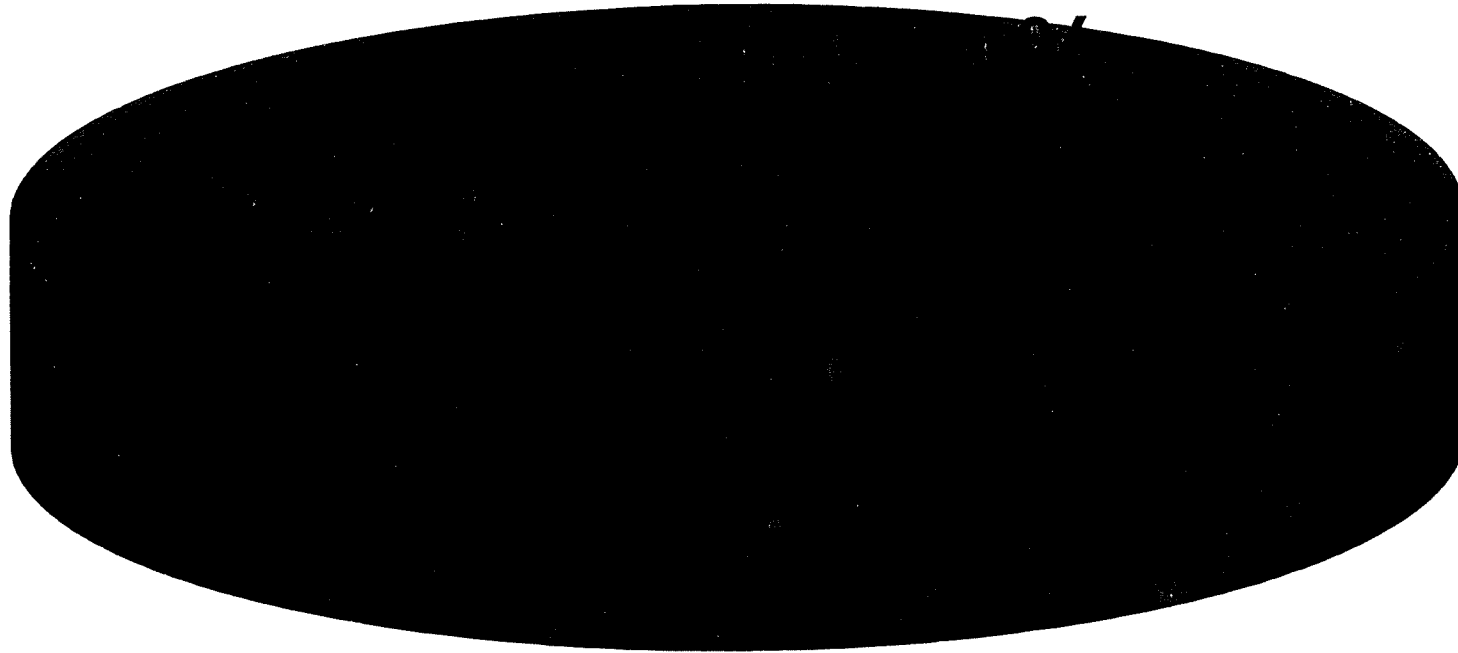
George Mason Study of Deregulated Industries

- Customer choice lowers prices 25-50%**
- Service quality not impaired**
- Benefits real, not just different slices**
- The lower the barriers, the greater the benefits**
- Innovations develop for years**





Customer Choice Is Inevitable



**Late 1996 survey of electric industry executives by
Washington International Group**



Transition Issues

- Stranded investments
- Federal vs. State jurisdiction
- Tax treatment
- Reliability/service integrity
- Ensuring all customers benefit
- Social, environmental and energy efficiency costs
- Treatment of existing contracts



“It has been my philosophy of life that difficulties vanish when faced boldly.”

Issac Asimov



Stranded Cost Estimate (Nationwide)

RDI Estimate

- IOUs \$122 billion
(86%)
- Public Utilities &
Coops \$20 billion
(14%)

Sales

- 2.4 trillion Kwh
(80 %)
- .6 trillion Kwh
(20%)



Stranded cost comparison (in billions)

Electricity

- Estimate: \$143
- ⇒ IOUs: 122
- ⇒ Public utilities: 9
- ⇒ Co-ops: 11

Source: RDI

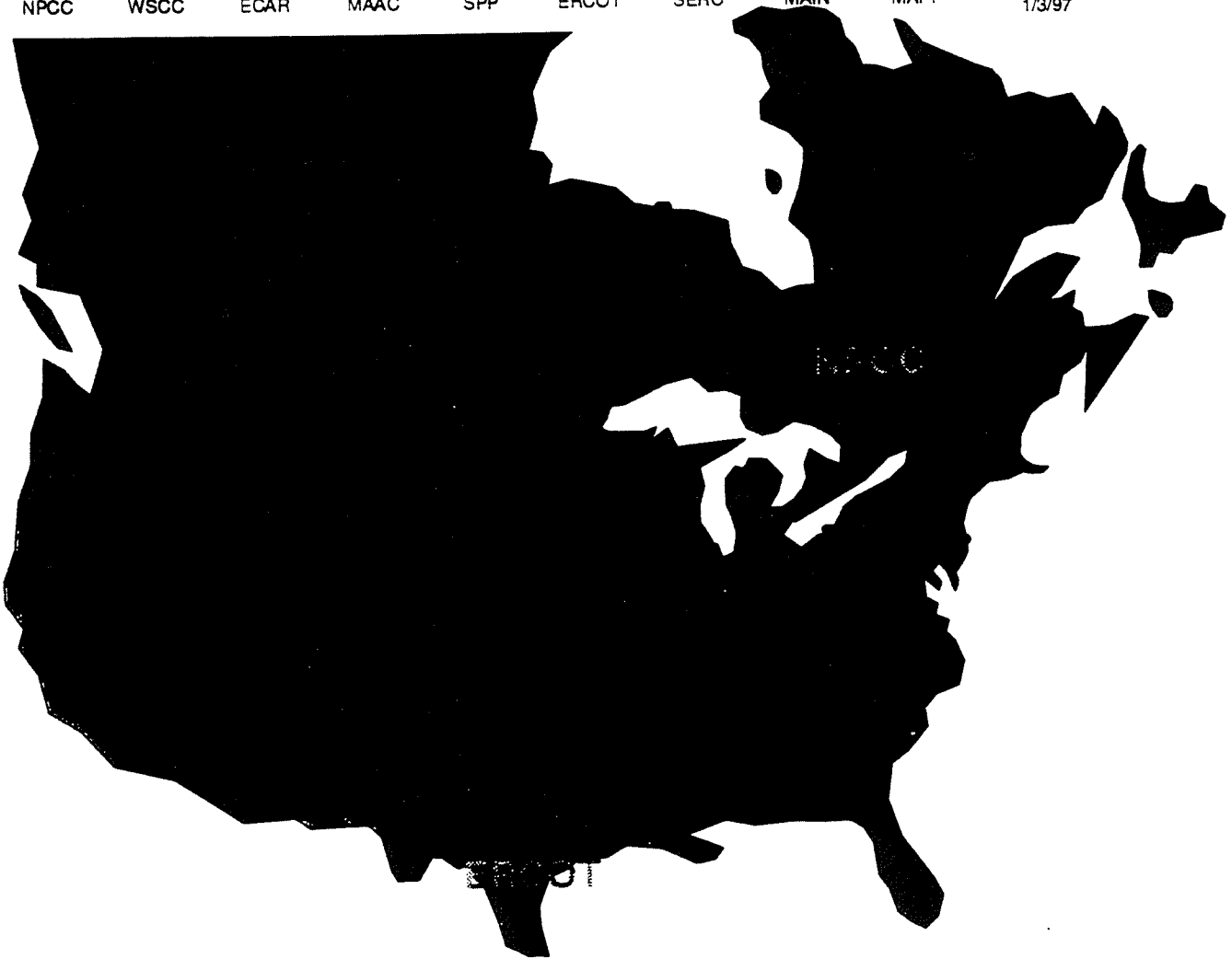
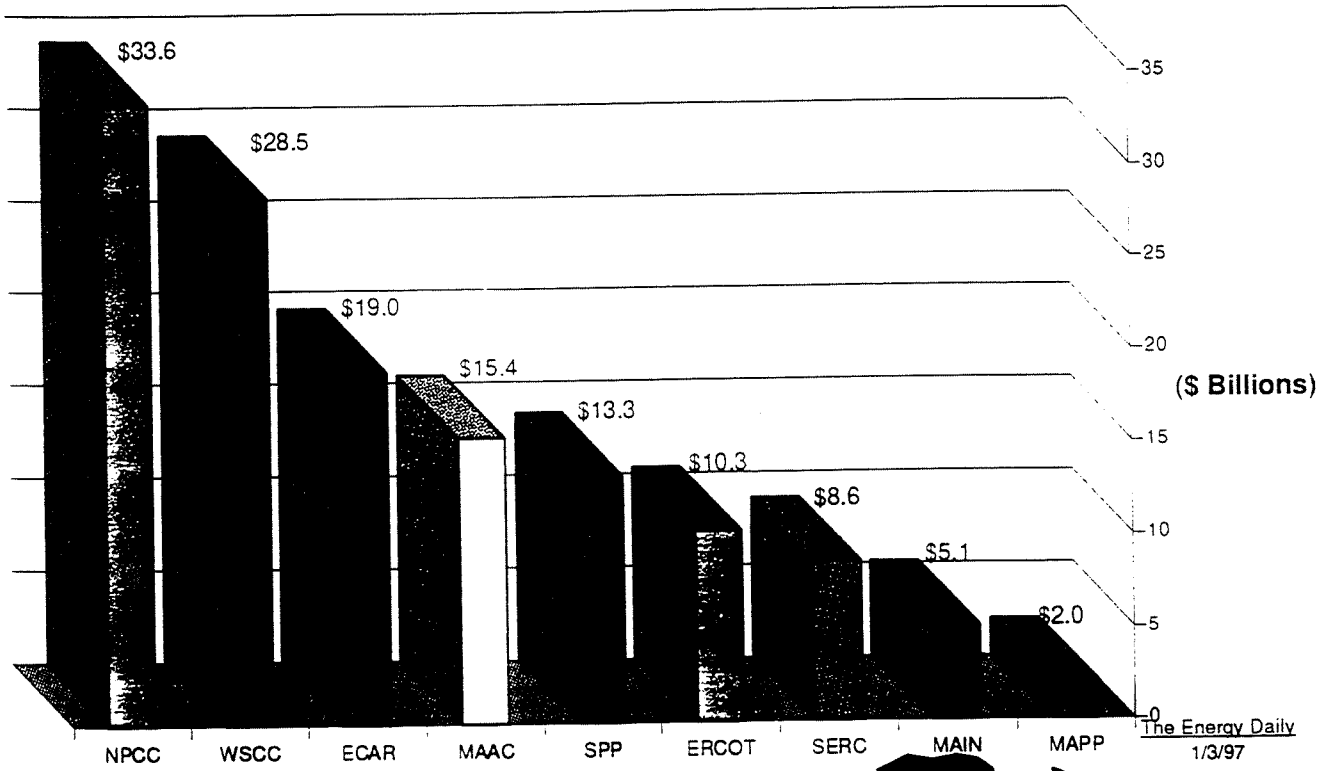
Natural Gas

- Estimate: \$44.0
- Actual: \$13.2

Source: FERC & INGAA



ESTIMATED STRANDED COSTS IN THE U.S.

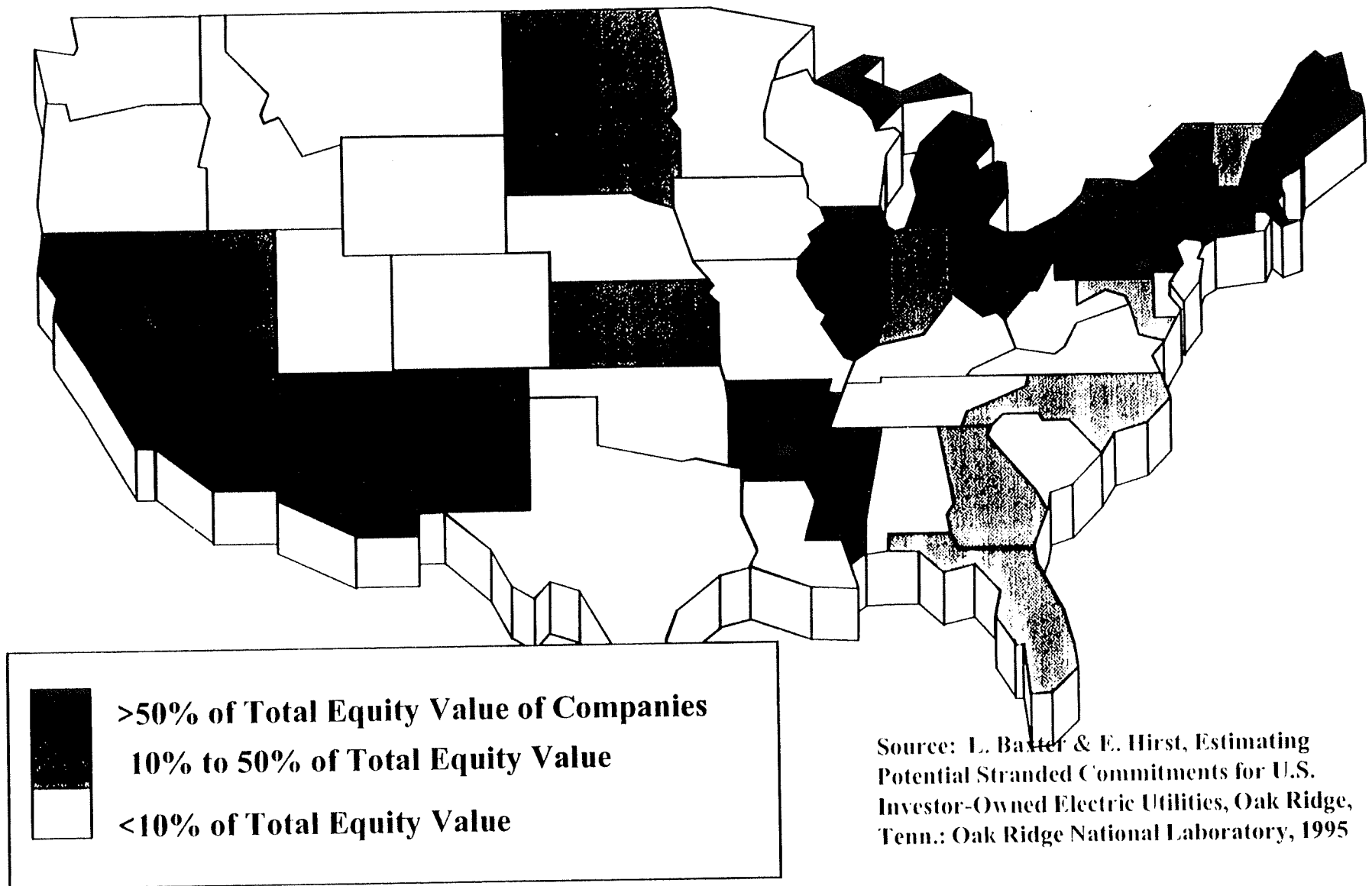


RDI Estimates of Stranded Costs (in millions)

- KG&E \$838**
 - KPL (\$200)**
 - Kansas City P&L \$520**
 - UtiliCorp (\$259)**
- (Kansas & Missouri)**



Estimated Stranded Costs by State





HB 2316 Approach to Stranded Cost Recovery

- KCC must address**
- Mitigation required**
- Interim amount may be set before competition begins**
- No exit fees**
- Balancing of shareholder and customer interests**



HB 2316 Approach to Stranded Cost Recovery

- **Factors Which Should Be Considered in Determining Amount Utilities Can Recover**

- ✧ Degree of mitigation
- ✧ Extent to which costs are known and measurable
- ✧ Certainty of recovery
- ✧ How utility's rates compare



2ND

3/18/97
House Utilities
2-21-97
Attachment 2

As Amended by Senate Committee

Session of 1997

SENATE BILL No. 207

By Committee on Utilities

2-5

10 AN ACT concerning the Kansas corporation commission; investigations
11 and complaints; hearings; amending K.S.A. 66-1,191 and 66-1,234 and
12 K.S.A. 1996 Supp. 66-101d, 66-101e, 66-1,192, 66-1,204, 66-1,205, 66-
13 1,219, 66-1,220 and 66-1,235 and repealing the existing sections.

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

16 Section 1. K.S.A. 1996 Supp. 66-101d is hereby amended to read as
17 follows: 66-101d. It shall be the duty of the commission, either upon
18 complaint or upon its own initiative, to The commission, upon its own
19 initiative, may investigate all schedules of rates and rules and regulations
20 of electric public utilities. If after investigation and hearing the commis-
21 sion finds that such rates or rules and regulations are unjust, unreasona-
22 ble, unjustly discriminatory or unduly preferential, the commission shall
23 have the power to establish and order substituted therefor such rates and
24 such rules and regulations as are just and reasonable.

25 If after investigation and hearing it is found that any regulation, meas-
26 urement, practice, act or service complained of is unjust, unreasonable,
27 unreasonably inefficient or insufficient, unduly preferential, unjustly dis-
28 criminatory, or otherwise in violation of this act or of the orders of the
29 commission, or if it is found that any service is inadequate or that any
30 reasonable service cannot be obtained, the commission shall have the
31 power to substitute therefor such other regulations, measurements, prac-
32 tices, service or acts, and to make such order respecting any such changes
33 in such regulations, measurements, practices, service or acts as are just
34 and reasonable. When, in the judgment of the commission, public nec-
35 cessity and convenience require, the commission shall have the power to
36 establish just and reasonable concentration or other special rates, charges
37 or privileges, but all such rates, charges and privileges shall be open to
38 all users of a like kind of service under similar circumstances and condi-
39 tions.

40 Hearings shall be conducted in accordance with the provisions of the
41 Kansas administrative procedure act.

42 Hearings shall be conducted in accordance with the provisions of
43 the Kansas administrative procedure act, unless, in the case of a

Amendment to K.S.A. 66-???? (revisor's option where best fits, preferably new statutory section)

Every public utility and common carrier doing business in Kansas over which the commission has jurisdiction but which is not subject to price regulation, shall not publish and file with the commission copies of any schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas consumers. The commission may require or permit individual public utilities or common carriers to publish and file tariffs when necessary to protect consumers from fraudulent business practices, practices that are inconsistent with the public interest, convenience and necessity, or any other situation the commission deems necessary.

Amendment to KSA 66-125 (Empire Electric amendment)

delete language---

"having a total capitalization in excess of \$1 billion dollars"

1 *general investigation, for good cause, the commission orders oth-*
2 *erwise.*

3 Sec. 2. K.S.A. 1996 Supp. 66-101e is hereby amended to read as
4 follows: 66-101e. Upon a complaint in writing made against any electric
5 public utility governed by this act that any of the rates or rules and reg-
6 ulations of such electric public utility are in any respect unreasonable,
7 unfair, unjust, unjustly discriminatory or unduly preferential, or both, or
8 that any regulation, practice or act whatsoever affecting or relating to any
9 service performed or to be performed by such electric public utility for
10 the public, is in any respect unreasonable, unfair, unjust, unreasonably
11 inefficient or insufficient, unjustly discriminatory or unduly preferential,
12 or that any service performed or to be performed by such electric public
13 utility for the public is unreasonably inadequate, inefficient, unduly in-
14 sufficient or cannot be obtained, the commission shall proceed, with or
15 without notice, to make such investigation as it deems necessary.

16 ~~The commission may, upon its own motion, and without any complaint~~
17 ~~being made, proceed to make such investigation, but~~ No order changing
18 such rates, rules and regulations, practices or acts complained of shall be
19 made or entered by the commission without a formal public hearing, of
20 which due notice shall be given by the commission to such electric public
21 utility or to such complainant or complainants, if any, in accordance with
22 the provisions of the Kansas administrative procedure act. Any public
23 investigation or hearing which the commission shall have power to make
24 or to hold may be made or held before any one or more commissioners.
25 All investigations, hearings, decisions and orders made by a commissioner
26 shall be deemed the investigations, hearings, decisions and orders of the
27 commission, when approved by the commission.

28 The commission shall have power to require electric public utilities to
29 make such improvements and do such acts as are or may be required by
30 law to be done by any such electric public utility.

31 Sec. 3. K.S.A. 66-1,191 is hereby amended to read as follows: 66-
32 1,191. ~~It shall be the duty of the commission, either upon complaint or~~
33 ~~upon its own initiative, to~~ *The commission, upon its own initiative, may*
34 *investigate all rates, joint rates, tolls, charges and exactions, classifications*
35 *or schedules of rates or joint rates and rules and regulations of telecom-*
36 *munications public utilities. If after full hearing and investigation the*
37 *commission finds that such rates, joint rates, tolls, charges or exactions,*
38 *classifications or schedules of rates or joint rates or rules and regulations*
39 *are unjust, unreasonable, unjustly discriminatory or unduly preferential,*
40 *the commission shall have the power to fix and order substituted therefor*
41 *such rates, tolls, charges, exactions, classifications or schedules of rates or*
42 *joint rates and such rules and regulations as are just and reasonable.*

43 If upon any investigation it is found that any regulation, measurement,

1 practice, act or service complained of is unjust, unreasonable, unreason-
 2 ably inefficient or insufficient, unduly preferential, unjustly discrimina-
 3 tory, or otherwise in violation of this act or of the orders of the commis-
 4 sion; or if it is found that any service is inadequate or that any reasonable
 5 service cannot be obtained, the commission may substitute therefor such
 6 other regulations, measurements, practices, service or acts, and make
 7 such order respecting any such changes in such regulations, measure-
 8 ments, practices, service or acts as are just and reasonable. When, in the
 9 judgment of the commission, public necessity and convenience require,
 10 the commission may establish just and reasonable concentration or other
 11 special rates, charges or privileges, but all such rates, charges and privi-
 12 leges shall be open to all users of a like kind of service under similar
 13 circumstances and conditions.

14 Sec. 4. K.S.A. 1996 Supp. 66-1,192 is hereby amended to read as
 15 follows: 66-1,192. (a) Upon a complaint in writing made against any tel-
 16 ecommunications public utility governed by this act, ~~by any mercantile,
 17 agricultural or manufacturing organization or society, or by any body poli-
 18 tic or municipal organization, or by any taxpayer, firm, corporation or
 19 association;~~ that any of the rates or joint rates, tolls, charges, rules, reg-
 20 ulations, classifications or schedules of such telecommunications public
 21 utility are in any respect unreasonable, unfair, unjust, unjustly discrimi-
 22 natory or unduly preferential, or both, or that any regulation, practice or
 23 act whatsoever affecting or relating to any service performed or to be
 24 performed by such telecommunications public utility for the public, is in
 25 any respect unreasonable, unfair, unjust, unreasonably inefficient or in-
 26 sufficient, unjustly discriminatory or unduly preferential, or that any serv-
 27 ice performed or to be performed by such telecommunications public
 28 utility for the public is unreasonably inadequate, inefficient, unduly in-
 29 sufficient or cannot be obtained, the commission shall proceed, with or
 30 without notice, to make such investigation as it deems necessary.

31 ~~The commission may, upon its own motion, and without any complaint
 32 being made, proceed to make such investigation; but~~ No order changing
 33 such rates, joint rates, tolls, charges, rules, regulations and classifications,
 34 schedules, practices or acts complained of shall be made or entered by
 35 the commission without a formal public hearing in accordance with the
 36 provisions of the Kansas administrative procedure act, of which due notice
 37 shall be given by the commission to such telecommunications public util-
 38 ity or to such complainant or complainants, if any. Any public investigation
 39 or hearing which the commission shall have power to make or to hold
 40 may be made or held before any one or more commissioners. All inves-
 41 tigation, hearings, decisions and orders made by a commissioner shall be
 42 deemed the investigations, hearings, decisions and orders of the com-
 43 mission, when approved by the commission.

Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act, unless, in the case of a general investigation, for good cause, the commission orders otherwise.

may

1 (b) The commission shall have power to require telecommunications
2 public utilities to make such improvements and do such acts as are or
3 may be required by law to be done by any such telecommunications
4 public utility.

5 Sec. 5. K.S.A. 1996 Supp. 66-1,204 is hereby amended to read as
6 follows: 66-1,204. ~~It shall be the duty of the commission, either upon~~
7 ~~complaint or upon its own initiative, to~~ *The commission, upon its own*
8 *initiative, may* investigate all schedules of rates and rules and regulations
9 of natural gas public utilities. If after investigation and hearing the com-
10 mission finds that such rates or rules and regulations are unjust, unrea-
11 sonable, unjustly discriminatory or unduly preferential, the commission
12 shall have the power to establish and order substituted therefor such rates
13 and such rules and regulations as are just and reasonable.

14 If after investigation and hearing it is found that any regulation, meas-
15 urement, practice, act or service complained of is unjust, unreasonable,
16 unreasonably inefficient or insufficient, unduly preferential, unjustly dis-
17 criminatory, or otherwise in violation of this act or of the orders of the
18 commission, or if it is found that any service is inadequate or that any
19 reasonable service cannot be obtained, the commission may substitute
20 therefor such other regulations, measurements, practices, service or acts,
21 and make such order respecting any such changes in such regulations,
22 measurements, practices, service or acts as are just and reasonable. When,
23 in the judgment of the commission, public necessity and convenience
24 require, the commission may establish just and reasonable concentration
25 or other special rates, charges or privileges, but all such rates, charges
26 and privileges shall be open to all users of a like kind of service under
27 similar circumstances and conditions.

Hearings shall be conducted in accordance with the provisions of the
Kansas administrative procedure act, unless, in the case of a general
investigation, for good cause, the commission orders otherwise.

28 Sec. 6. K.S.A. 1996 Supp. 66-1,205 is hereby amended to read as
29 follows: 66-1,205. (a) Upon a complaint in writing made against any nat-
30 ural gas public utility governed by this act that any rates or rules and
31 regulations of such natural gas public utility are in any respect unreason-
32 able, unfair, unjust, unjustly discriminatory or unduly preferential, or
33 both, or that any rule and regulation, practice or act whatsoever affecting
34 or relating to any service performed or to be performed by such natural
35 gas public utility for the public, is in any respect unreasonable, unfair,
36 unjust, unreasonably inefficient or insufficient, unjustly discriminatory or
37 unduly preferential, or that any service performed or to be performed by
38 such natural gas public utility for the public is unreasonably inadequate,
39 inefficient, unduly insufficient or cannot be obtained, the commission
40 shall proceed, with or without notice, to make such investigation as it
41 deems necessary.

42 ~~The commission, upon its own motion and without any complaint being~~
43 ~~made, may proceed to make such investigation. but No order changing~~

1 such rates, rules and regulations, practices or acts complained of shall be
 2 made or entered by the commission without a formal public hearing in
 3 accordance with the provisions of the Kansas administrative procedure
 4 act, of which due notice shall be given by the commission to such natural
 5 gas public utility or to such complainant or complainants, if any. Any
 6 public investigation or hearing which the commission shall have power to
 7 make or to hold may be made or held before any one or more commis-
 8 sioners. All investigations, hearings, decisions and orders made by a com-
 9 missioner shall be deemed the investigations, hearings, decisions and or-
 10 ders of the commission, when approved by the commission.

11 (b) The commission shall have power to require natural gas public
 12 utilities to make such improvements and do such acts as are or may be
 13 required by law to be done by any such natural gas public utility.

14 Sec. 7. K.S.A. 1996 Supp. 66-1,219 is hereby amended to read as
 15 follows: 66-1,219. ~~It shall be the duty of the commission, either upon~~
 16 ~~complaint or upon its own initiative, to~~ *The commission, upon its own*
 17 *initiative, may* investigate all rates, joint rates, tolls, charges and exactions,
 18 classifications or schedules of rates or joint rates and rules and regulations
 19 of common carriers, except a motor carrier holding a certificate of public
 20 service. If after full hearing and investigation the commission finds that
 21 such rates, joint rates, tolls, charges or exactions, classifications or sched-
 22 ules of rates or joint rates or rules and regulations are unjust, unreason-
 23 able, unjustly discriminatory or unduly preferential, the commission shall
 24 have the power to fix and order substituted therefor such rates, tolls,
 25 charges, exactions, classifications or schedules of rates or joint rates and
 26 such rules and regulations as are just and reasonable.

27 If upon any investigation it is found that any such regulation, measure-
 28 ment, practice, act or service complained of is unjust, unreasonable, un-
 29 reasonably inefficient or insufficient, unduly preferential, unjustly dis-
 30 criminatory, or otherwise in violation of this act or of the orders of the
 31 commission, or if it is found that any service is inadequate or that any
 32 reasonable service cannot be obtained, the commission may substitute
 33 therefor such other regulations, measurements, practices, service or acts,
 34 and make such order respecting any such changes in such regulations,
 35 measurements, practices, service or acts as are just and reasonable. When,
 36 in the judgment of the commission, public necessity and convenience
 37 require, the commission may establish just and reasonable concentration
 38 or other special rates, charges or privileges, but all such rates, charges
 39 and privileges shall be open to all users of a like kind of service under
 40 similar circumstances and conditions.

41 Sec. 8. K.S.A. 1996 Supp. 66-1,220 is hereby amended to read as
 42 follows: 66-1,220. (a) Upon a complaint in writing made against any com-
 43 mon carrier, except a motor carrier holding a certificate of public service,

Hearings shall be conducted in accordance with the provisions of the
 Kansas administrative procedure act, unless, in the case of a general
 investigation, for good cause, the commission orders otherwise.

1 governed by this act; by any mercantile, agricultural or manufacturing
2 organization or society; or by any body politic or municipal organization;
3 or by any taxpayer, firm, corporation or association; that any of the rates
4 or joint rates, fares, tolls, charges, rules, regulations, classifications or
5 schedules of such common carrier are in any respect unreasonable, unfair,
6 unjust, unjustly discriminatory or unduly preferential, or both, or that any
7 regulation, practice or act whatsoever affecting or relating to any service
8 performed or to be performed by such common carrier for the public, is
9 in any respect unreasonable, unfair, unjust, unreasonably inefficient or
10 insufficient, unjustly discriminatory or unduly preferential, or that any
11 service performed or to be performed by such common carrier for the
12 public is unreasonably inadequate, inefficient, unduly insufficient or can-
13 not be obtained, the commission shall proceed, with or without notice,
14 to make such investigation as it deems necessary.

15 ~~The commission, upon its own motion, and without any complaint be-~~
16 ~~ing made, may proceed to make such investigation; but~~ No order changing
17 such rates, joint rates, tolls, charges, rules, regulations and classifications,
18 schedules, practices or acts complained of shall be made or entered by
19 the commission without a formal public hearing in accordance with the
20 provisions of the Kansas administrative procedure act, of which due notice
21 shall be given by the commission to such common carrier or to such
22 complainant or complainants, if any. Any public investigation or hearing
23 which the commission shall have power to make or to hold may be made
24 or held before any one or more commissioners. All investigations, hear-
25 ings, decisions and orders made by a commissioner shall be deemed the
26 investigations, hearings, decisions and orders of the commission, when
27 approved by the commission.

28 (b) The commission shall have power to require common carriers,
29 except a motor carrier holding a certificate of public service, to make such
30 improvements and do such acts as are or may be required by law to be
31 done by any such common carrier.

32 Sec. 9. K.S.A. 66-1,234 is hereby amended to read as follows: 66-
33 1,234. ~~It shall be the duty of the commission, either upon complaint or~~
34 ~~upon its own initiative; to~~ *The commission, upon its own initiative, may*
35 *investigate all rates, joint rates, tolls, charges and exactions, classifications*
36 *or schedules of rates or joint rates and rules and regulations of miscella-*
37 *neous public utilities. If after full hearing and investigation the commis-*
38 *sion finds that such rates, joint rates, tolls, charges or exactions, classifi-*
39 *cations or schedules of rates or joint rates or rules and regulations are*
40 *unjust, unreasonable, unjustly discriminatory or unduly preferential, the*
41 *commission shall have the power to fix and order substituted therefor*
42 *such rates, tolls, charges, exactions, classifications or schedules of rates or*
43 *joint rates and such rules and regulations as are just and reasonable.*

1 If upon any investigation it is found that any regulation, measurement,
 2 practice, act or service complained of is unjust, unreasonable, unreason-
 3 ably inefficient or insufficient, unduly preferential, unjustly discrimina-
 4 tory, or otherwise in violation of this act or of the orders of the commis-
 5 sion, or if it is found that any service is inadequate or that any reasonable
 6 service cannot be obtained, the commission may substitute therefor such
 7 other regulations, measurements, practices, service or acts, and make
 8 such order respecting any such changes in such regulations, measure-
 9 ments, practices, service or acts as are just and reasonable. When, in the
 10 judgment of the commission, public necessity and convenience require,
 11 the commission may establish just and reasonable concentration, com-
 12 modity, transit or other special rates, charges or privileges, but all such
 13 rates, charges and privileges shall be open to all users of a like kind of
 14 service under similar circumstances and conditions.

15 Sec. 10. K.S.A. 1996 Supp. 66-1,235 is hereby amended to read as
 16 follows: 66-1,235. (a) Upon a complaint in writing made against any mis-
 17 cellaneous public utility governed by this act, ~~by any mercantile, agricul-~~
 18 ~~tural or manufacturing organization or society, or by any body politic or~~
 19 ~~municipal organization, or by any taxpayer, firm, corporation or associa-~~
 20 ~~tion;~~ that any of the rates or joint rates, tolls, charges, rules, regulations,
 21 classifications or schedules of such miscellaneous public utility are in any
 22 respect unreasonable, unfair, unjust, unjustly discriminatory or unduly
 23 preferential, or both, or that any regulation, practice or act whatsoever
 24 affecting or relating to any service performed or to be performed by such
 25 miscellaneous public utility for the public, is in any respect unreasonable,
 26 unfair, unjust, unreasonably inefficient or insufficient, unjustly discrimi-
 27 natory or unduly preferential, or that any service performed or to be
 28 performed by such miscellaneous public utility for the public is unrea-
 29 sonably inadequate, inefficient, unduly insufficient or cannot be obtained,
 30 the commission shall proceed, with or without notice, to make such in-
 31 vestigation as it deems necessary.

32 ~~The commission may, upon its own motion, and without any complaint~~
 33 ~~being made, proceed to make such investigation, but~~ No order changing
 34 such rates, joint rates, fares, tolls, charges, rules, regulations and classi-
 35 fications, schedules, practices or acts complained of shall be made or
 36 entered by the commission without a formal public hearing in accordance
 37 with the provisions of the Kansas administrative procedure act, of which
 38 due notice shall be given by the commission to such miscellaneous public
 39 utility or to such complainant or complainants, if any. Any public inves-
 40 tigation or hearing which the commission shall have power to make or to
 41 hold may be made or held before any one or more commissioners. All
 42 investigations, hearings, decisions and orders made by a commissioner
 43 shall be deemed the investigations, hearings, decisions and orders of the

Hearings shall be conducted in accordance with the provisions of the
 Kansas administrative procedure act, unless, in the case of a general
 investigation, for good cause, the commission orders otherwise.



1 commission, when approved by the commission.

2 (b) The commission shall have power to require miscellaneous public
3 utilities to make such improvements and do such acts as are or may be
4 required by law to be done by any such miscellaneous public utility.

5 Sec. 11. K.S.A. 66-1,191 and 66-1,234 and K.S.A. 1996 Supp. 66-
6 101d, 66-101e, 66-1,192, 66-1,204, 66-1,205, 66-1,219, 66-1,220 and 66-
7 1,235 are hereby repealed.

8 Sec. 12. This act shall take effect and be in force from and after its
9 publication in the statute book.

PROPOSED AMENDMENT TO SENATE BILL NO. 207

Repeal 66-131a and add the following to the bill:

"New Sec. 11. (a) The American Society of Heating and Air Conditioning Engineers/Illuminating Society of North America 1989 90-1 Standard or Code (ASHRAE/IES 90.1-89) is hereby adopted as the applicable thermal efficiency standard for new commercial and industrial structures in this state.

(b) The state corporation commission has no authority to adopt or enforce energy efficiency standards for residential, commercial or industrial structures.

New Sec. 12. (a) The person building or selling a previously unoccupied new residential structure shall disclose to the buyer, on a form prescribed by the state corporation commission, the following information regarding the structure:

(1) Insulation values (R-value of insulation installed) for each of the following:

- (A) Ceiling with attic above.
- (B) Cathedral ceiling.
- (C) Opaque walls.
- (D) Floors over unheated spaces.
- (E) Floors over outside air.
- (F) Foundation type: (i) Slab-on-grade; (ii) crawlspace; and (iii) basement and percent of basement walls underground.

(2) Thermal properties of windows and doors for each of the following:

- (A) Entry door(s) R-value.
- (B) Sliding door(s) R-value.
- (C) Other exterior doors R-value.
- (D) Garage to house door R-value.
- (E) Window U-value (determined from NFRC rating label or default table).

(3) HVAC equipment efficiency levels:

(A) Heating systems: Gas fired forced air furnace AFUE rating and electric heat pump HSPF rating.

(B) Air conditioning systems: Electric air conditioning

unit SEER rating; electric heat pump air conditioning EER rating; and ground source heat pump air conditioning EER rating.

(C) Duct insulation levels: Insulation R-value of ducts outside envelope.

(D) Thermostat: Manual control type or automatic set-back type.

(4) Water heating efficiency levels:

(A) Water heater fuel type;

(B) water heater capacity; and

(C) NAECA energy factor.

(b) The state corporation commission shall prescribe, by rules and regulations, the form required by subsection (a) and may include on the form a definition of "R-value" to assist the buyer in understanding the information contained in the form.";

Renumber the remaining sections and amend the title accordingly;