

Approved: ²¹ Feb. 8, 1997
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson 1:30 p.m. on January 30, 1997 in Room 123-S of the Capitol.

All members were present

Committee staff present: Lynne Holt, Legislative Research Department
Fred Carman, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:

Tom Day, Director of Admin. Services, Kansas Corporation Commission
Diane Gjerstad, Leg. Liaison, Wichita Public Schools
Glenda Cafer, Director of Utilities, Kansas Corporation Commission
Glen Smith, Chief, Natural Gas Operations, Kansas Corporation Commission

Others attending: See attached list

Chairperson Ranson called the meeting to order and announced the following have been distributed to the committee: letter from Donald Schnacke, defining "small producer" (Attachment 1); memorandum from Lee Eisenhower regarding increased price of propane (Attachment 2).

Sen. Ranson announced the committee will consider introduction of bills and introduced Tom Day. Mr. Day outlined four proposals (Attachment 3) and was asked by Mr. Carman if his request was for all four proposals to be in one bill. Mr. Day responded the four proposals should be split out into four different bills, and the committee agreed. Sen. Salisbury made a motion the committee introduce the bills, and it was seconded by Sen. Clark; the motion passed.

Sen. Ranson introduced Diane Gjerstad, who outlined a proposal utilizing retail wheeling for the Wichita Public Schools (Attachment 4). Sen. Sallee stated there is a bill being drafted regarding retail wheeling and perhaps the committee should wait for that bill. Ms. Gjerstad explained the Wichita Public Schools have a contract with a company to study electrical usage in the public school and make recommendations and this proposal has come from that study; she also stated that Wichita public schools spend approximately \$3.9 million for electricity each year. Sen. Ranson responded that her proposal would put the issue on the table for consideration, even though the committee may receive another bill on the same subject. Sen. Jones made a motion it be drafted as a bill, and it was seconded by Sen. Salisbury; the motion passed.

Sen. Ranson recognized Sen. Clark, who explained a proposal permitting electric and natural gas unbundling and open access demonstration projects (Attachment 5). Sen. Clark made a motion it be drafted as a bill, and it was seconded by Sen. Steffes; the motion passed.

Sen. Ranson reminded the committee of the deadline for filing bills and stated she does not want to squelch discussion of bills, and will schedule each bill for a hearing, based upon the deadline for getting bills out of the committee.

Sen. Ranson recognized Sen. Sallee, who served as chairman of the Gas Gathering Task Force. He made a statement regarding the Minority Report, previously heard by the committee, that the Task Force heard hours of testimony, and he felt Mr. Biro's accusations were not fair, and that he tried to accommodate all those who wanted to be heard.

Sen. Ranson then introduced Glenda Cafer, who referred to the Overview of Recent Activity, (Attachment 6), which she discussed with the committee on January 16. She reviewed three rate increase cases with the committee, that of Utilicorp, Western Resources gas rate case and Western Resources electric rate case. She commented these were the only two rate increases in the past year. She explained the factors considered when looking at requests for a rate increase, which is the cost of gas, the allowable return on investment and expenses. Ms. Cafer pointed out that when a company's costs increase, they can automatically raise the rates, in accordance with KCC policy; however, the company has to notify the Commission and file the new rates with them. Sen. Lee questioned regarding the incentives for companies to get the best price possible and on charges for connecting and disconnecting meters. Mr. Williams explained the reason why companies charge for connecting and disconnecting meters.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON UTILITIES, Room 123-S-Statehouse, at 1:30 p.m. on January 30, 1997.

Ms. Cafer then introduced Glenn Smith, who explained the Spot Index (Attachment 7) and how gas is priced. He referred to the last column on the first page - average price - and stated that gas prices are tied to the spot index. He also stated that some companies store gas, which saves money and is reflected in the cost of gas; and that there are two components in the cost of gas - cost of upstream transportation and the commodity cost of gas. He commented that Williams Gas Company probably stores one-third of its gas. Sen. Morris questioned Mr. Smith on the margin, which is shown on Page 2, and how it relates to the customer rate; and Sen. Clark questioned the rate of return, which is six to seven per cent for most companies. In the case of the two rate increases which were granted, the rate of return is higher - 11 to 12%. Sen. Steffes asked questions regarding supply and demand and the Hugoton Oil Field and the availability of the gas supply.

Sen. Ranson reminded the committee that the price of gas is deregulated and is subject to the market, and that the higher price is the result of market forces.

Sen. Ranson announced that next week the committee will meet back in the old room (531-N) and that a hearing is scheduled on Wednesday for **SB 84-service to customers located more than three miles from a city by municipal electric and gas utilities.**

Meeting adjourned at 2:30.

Next meeting is scheduled for February 4.

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JAN. 30, 1997

NAME	REPRESENTING
Bill Wix	KCC - Wichita
Nancy Heinz	" "
Diane Gjerstad	Wichita Public Schools
Tom DAY	KCC
Bruce GRAHAM	KEPCo
Lester Murphy	KEC
Glenda Carter	KCC
John Williams	KCC
Glenn Miller	KCC
Don Schnacka	KILOGA
Rich McKee	Kansas Livestock Assoc.
BERNARD E. NORDLIE	SWKROA
Doug Smyth	SWKROA
Jack Glaves	P-H-KM + Oxy
Russ Bishop	PanEnergy Corp.
Brenda Gunk	Jonathon Small
Jim Miles	Kansas Electric Cooperatives
Doree Trautde	KCC

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JAN. 30, 1997

NAME	REPRESENTING
Jim Ludwig	Western Resources
Dave Holtkamp	"
ED SCHAUB	"
Shirley Allen	SWBT

60th
YEAR

KIOGA

KANSAS INDEPENDENT OIL & GAS ASSOCIATION

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800 S.W. JACKSON • SUITE 1400 • TOPEKA, KANSAS 66612-1216
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ELWYN H. NAGEL
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DANIEL F. SCHIPPERS
DICK SCHREMMER
LEONARD SCHUCKMAN
JOHN C. SHAWVER
RICK STINSON
BARNEY E. SULLIVAN
RODNEY SWEETMAN
WRAY VALENTINE
* J.M. VESS
THOMAS D. WHITE
* CHARLES B. WILSON
* BILL WOHLFORD
I. WAYNE WOOLSEY

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WARREN E. TOMLINSON
F.W. SHELTON, JR.
F.W. MALLONEE
RALFE D. REBER
RICHARD D. SMITH
ROGER McCOY
A. SCOTT RITCHIE
* FRANK E. NOVY
J. PAUL JENNINGS
* JAMES B. DEVLIN
* DANNY N. BIGGS
* EXECUTIVE COMMITTEE

January 30, 1997

Honorable Pat Ranson, Chairperson
Senate Utilities Committee
State Capitol - Room 136-N
Topeka, KS 66612

Dear Senator Ranson:

At your hearing yesterday pertaining to gas gathering, Senator Barone asked for a definition of a small natural gas producer. I volunteered to write a memo that reflects what KIOGA considers a small gas producer to be.

Petroleum Information Corporation (PI) furnishes KIOGA a list of 2588 Kansas oil and gas producers and the quantity each produces. Our latest list enumerates 875 natural gas producers, large, medium and small, who produce a total of 1,939,280.59 mcf/day of natural gas throughout Kansas. Many small independent natural gas producers list their production at 100-500 mcf/day. The PI report lists 268 producers who produce less than 60 mcf/day, the recognized stripper well definition.

Another Kansas definition of a small producing gas well is found in KSA 79-4217 where the production is exempt from the severance tax the average daily production during a calendar month has a gross value of not more than \$81 per day.

Around eighteen major companies and large independents produce a great deal of the natural gas in the Hugoton area along with, reportedly, seventy-five smaller independents.

Our concern is for producers large or small who have a gas well that cannot be hooked up to a gathering line, or if they can be hooked up, what the gathering fee will be. A gathering company may not like the producer's location, the pressures or the quality of the gas--all of which may be a deterrent to serving the producer in need of a gathering service.

Our definition of a small producer is not to be considered a legally defined definition, but reflective of what KIOGA considers an appropriate definition while considering gas gathering legislation in Kansas.

We look forward to appearing before the Committee when you open public hearings on the subject of gas gathering.

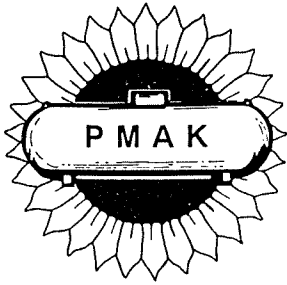
Sincerely,



Donald P. Schnacke

DPS:pp

SENATE UTIL.
1-30-97
ATT 1



Propane Marketers Association of Kansas

Lee Eisenhauer
Executive Vice-President

December 26, 1996

MEMORANDUM OF INFORMATION

To: The Members of the Kansas Legislature

From: Lee Eisenhauer, Executive Vice-President, and the Retail Propane Dealer Members of the Propane Marketers Association of Kansas

Re: Increased Price of Propane

You undoubtedly have seen news articles, and quite possibly received calls from rural constituents (including propane dealers), concerned about the current increases in the price of propane. And we would like to let you know what is happening.

The explanation we, on the retail level, are given for the increases is 'supply-and-demand'. The circumstances which have caused the increased demand, drawing heavily on supplies, is explained in the enclosed copy of the National Propane Gas Association's November 27, 1996 News Release. Additionally, since that date, demand has increased with very cold weather realized in numerous parts of the U.S., including the South.

Additional information and facts:

We want you to know that the increases are originating at the *wholesale* level, and not from the local retail dealer. In many cases, that dealer is realizing a loss in trying to protect his/her customer by absorbing some of the increase. We are primarily small businesses without the benefit of large savings, having to purchase from our suppliers at the demand price (like a grocer buys milk, bread, fruit, etc.). We do not produce the propane or set the price.

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We, along with retail dealers throughout the country, are very aware and concerned about the affect of the higher costs to all of our customers, particularly those with lower and fixed incomes. And, in trying to help, the president of the National Propane Gas Association has written President Clinton, urging release of LIHEAP contingency funds now.

The propane market is a free enterprise interstate and international market; thus, weather, supply, price and other circumstances in any one part of the U.S. or the world affects everyone's prices. And, as in any free market, it is almost impossible to initiate price controls; but, if some means was found, it would have to be on the federal level.

Federal studies of the situation, however, have been requested. Several U.S. Senators have requested the U.S. Department of Energy to 'look into' why prices have increased and to determine why inventories are low. Our information is that DOE does not believe they can intervene in the free market, but will probably undertake a further study of the industry. We also understand that the Senate Energy Committee will, undoubtedly, look into the issue when Congress convenes.

At this time, we have no way of predicting when the prices will decrease. Warmer weather would certainly be a helpful factor in decreasing demand.

Although it does not help in paying a higher propane bill at this time, we would like to point out that Kansas consumers normally are blessed with a propane bargain, paying the lowest prices (along with possibly Oklahoma, Nebraska and South Dakota) anywhere; and are not faced with allocations and the threat of not being able to obtain propane, as are a number of areas.

We hope this information is beneficial. If you have questions or require further information, please do not hesitate to contact Lee Eisenhauer at 913/354-1749, or visit with the propane dealer(s) in your district.


for the Propane Marketers Association of Kansas

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enc.

For further information contact:
Lisa Bontempo
202/466-7200

FOR IMMEDIATE RELEASE**Strong Demand Worldwide Fuels Energy Price Increases**

Lisle, IL, November, 27, 1996....On the eve of an OPEC ministers meeting in Vienna, the national trade association for the propane gas industry in the U.S. noted that early cold weather in the U.S. and Europe were among several major factors behind a run up in all domestic energy prices. OPEC Secretary-General Rilwanu Lukman of Nigeria had noted that oil prices were the highest since the 1991 Gulf War, up an average of \$3 over 1995 prices.

The Winter Supply Task Force of the National Propane Gas Association (NPGA) each year monitors propane supplies in order to provide accurate data for the association's members, the government and the public. Noting an alarming early and dramatic increase in all fuel prices, including natural gas, heating oil, gasoline and propane, the task force has surveyed key leaders in the propane gas industry and independent industry consultants in an effort to obtain factual information on the causes of the price increases and the prospects for the rest of the winter.

The task force found several unique factors coming together at this time which are contributing to these unprecedented price increases.

- A late winter last year depleted inventories of many fuels, including propane, and stocks were not rebuilt to their normal levels by Fall. Craig Whitley, Senior Principal of the industry consulting firm of Purvin & Gertz, Houston, TX, noted: "We came out of the '95/'96 winter with very low propane inventories and the price profile of crude oil, propane, and other petroleum products has been one that has discouraged inventory building all year."
- Mr. Whitley also notes strong demand for propane in the international market, particularly in China, Korea and several other Far East countries (except Japan). This heavy demand has supported higher than normal prices from Saudi Arabia and is being reflected in higher bids for product going to Europe and Latin America.
- Demand for propane for corn drying, a major use of propane in the Midwest, has been especially heavy this year because of the unusually wet crop. One industry leader has estimated demand as much as 20-25% greater than last year. Some reports indicate that this year's November crop demand will rival that of the all-time record set in 1992. It also has been a late drying season, overlapping the beginning of the winter heating season, thus exacerbating the problem.

- An explosion on July 26 at Mexico's Cactus gas plant, one of the largest in the world which accounts for 31% of Mexico's LP-gas production, has forced Mexico to become a larger purchaser on the world market according to Mr. Whitley. Mexico has contracted for six large 450,000 barrel cargoes from Saudi Arabia (one per month from October to March), and has ceased being an exporter of product to the U.S. Industry consultant Dan Lippe, President of Petral Worldwide Consulting, termed the consequences of this accident in Mexico as being "a radical departure from prior years which is having a major impact on our domestic market."
- The U.S. Energy Information Administration (EIA) reported in late August that inventory levels in PADD III (the Gulf Coast states) were at a 25-year low. On November 20, EIA reported that as of the week ending November 15, U.S. inventories continued to fall below the normal range for this time of year. Inventories in both the Midwest -- due largely to late season crop drying demand -- and in the Gulf Coast region continued to track below their normal range. It is believed that these low inventory figures have contributed to aggressive buying as the industry looks ahead to the three coldest winter months.

Members of the Winter Supply Task Force were in general agreement that stocks in dealer and customer inventory, which are not publicly reported, may be at comfortable levels for this time of year. The consensus is that most dealer storage is at normal levels and marketers have done a good job in supplying their customers. At the same time, there is a belief that many marketers, as a precautionary measure may be continuing to buy product on the open market rather than tap into their inventory this early in the season. If true, this action also has the effect of maintaining abnormally high prices.

Propane gas is but one of many domestic energy products which is traded worldwide and whose price generally follows the price of crude oil. Industry experts believe that with OPEC crude prices running much higher this Fall than in prior years, and anticipating that OPEC ministers will freeze their current ceiling on production which is now running at capacity, it appears unlikely that there will be any short term relief on high prices. Warmer weather in the U.S. and/or Europe should exert a downward pressure on all fuel prices.

NPGA is the national trade association of the propane gas industry with a membership of about 3,500 members in all 50 states and 26 foreign countries, and affiliated state and regional associations representing 47 states. The membership of NPGA consists of producers, wholesalers, and retailers of propane gas and the manufacturers and distributors of associated equipment and appliances. Propane gas is an environmentally clean fuel used by over 60 million Americans in homes, business and industry for a variety of purposes such as heating, cooking, and water heating.

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ATTACH. 3

Kansas Corporation Commission

Bill Graves, Governor Timothy E. McKee, Chair Susan M. Seltsam, Commissioner John Wine, Commissioner
Judith McConnell, Executive Director David J. Heinemann, General Counsel

January 30, 1997

Honorable Pat Ranson, Chairwoman
Senate Utilities Committee
Room 136-N
State Capitol Building
Topeka, Kansas 66612

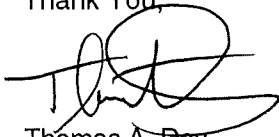
Senator Ranson:

The Kansas Corporation Commission would request the Senate Utilities Committee to introduce the following legislation. The legislation proposed for introduction has been routed through the Governor's office.

Attached please find a brief synopsis of the statutory change and proposed statutory amendment.

The attached legislation includes: 1) Amend KSA 66-117 (allow the commission under certain circumstances to restart 240-day clock; alternative incentive ratemaking); 2) Amend KSA 66-118b (allow KCC 30 days to accept petition for reconsideration); 3) Amend KSA 66-1502 (assessments of utilities; when); 4) Amend KSA 66-101d, 66-101e, 66-1,191, 66-1,192, 66-1,204, 66-1,205, 66-1,219, 66-1,220, 66-1,234 and 66-1,235 (investigations of electric, telephone, natural gas, motor carriers, miscellaneous utilities)

The Corporation Commission respectfully seeks introduction of the bills through the Senate Utilities Committee. Should you have questions, please feel free to call me at 271-3190.

Thank You

Thomas A. Day
Legislative Liaison

SENATE UTILITIES
1-30-97
ATT. 3

Amend KSA 66-117 (allow the commission under certain circumstances to restart 240-day clock)

The Commission feels one of the most important proposals being submitted pertains to the 240-day clock in KSA 66-117. This statute deals with the time within which the Commission has to hear, analyze and rule on rate changes. Essentially, the goal of the changes to KSA 66-117 will allow the Commission, in its discretion, to determine when a sufficient change in circumstances has occurred which justifies restarting the 240-day clock. The Court of Appeals recently ruled on this issue, and determined that the legislature did not explicitly delegate to the Commission this authority.

Other changes to KSA 66-117 involve restricting the use of the 240-day clock to cases involving rates. The statute currently applies this time constraint on other filings with the Commission, like utility rules and regulation changes. The Commission feels the Legislature originally intended the 240-day clock to apply only to rates, and making this clearer would provide the Commission with more efficient procedures and thus, more time to devote to ensuring the people of Kansas pay only just and reasonable utility rates.

A further amendment to KSA 66-117 provides the parties to a rate proceeding under the 240-day clock the ability to agree on a waiver of the timing requirement. (The courts have construed KSA 66-117 very strictly recently, and made it clear that unless the statute specifically grants the Commission authority to do something, it may not act outside of its "statutory" authority. Another modification will allow the Commission to utilize inventive ratemaking plans when it becomes clear that the statutorily mandated cost-of-service analysis is insufficient.

There would be no fiscal impact to the agency, outside normal operating procedures. There would also be no impact on other state agencies or units of government.

Attached is proposed amendatory language (attachment A).

Amend KSA 66-118b (allow KCC 30 days to accept petition for reconsideration)

The Commission requests amending KSA 66-118b to allow a longer time to respond to Petitions for Reconsideration. Currently, the agency is allowed only 20 days to accept or deny a Petition for Reconsideration, although if the petition is not acted on, it is deemed to have been denied. The additional 10 days will allow commission staff adequate time to research and consider the merits of the petition is question. The Commission's procedures do not fall under the K.A.P.A., unless the statute specifically provides for it.

There will be no fiscal impact on the agency's budget or any impact on other state agencies or units of government.

Attached is proposed amendatory language (attachment B).

Amend KSA 66-1502 (assessments of utilities; when; entry of appearance)

During the 1991 and 1992 Legislatures, the electric cooperative public utilities put forth a proposal to exempt certain coops from the commission's jurisdiction. During the 1992 session this proposal passed, amending KSA 66-104d. However, KSA 66-104d(f) specifically states certain actions by the cooperatives will still remain under the commission's jurisdiction. Among those actions not affected are single certified service territory, charges for transmission services, sales of power for resale, wire stringing and transmission line siting pursuant to KSA 66-131, 66-183, 66-1,170 *et seq.* or 66-1,177 *et seq.*

When general investigations are initiated by the commission, or wire stringing and transmission line siting applications are received, and throughout the entire general investigation or investigation of applications, significant costs are incurred. The Commission does not feel other public utilities should bear the costs of the electric cooperative public utilities for their proportionate share of general investigations or siting applications etc.

Additionally, the Commission proposes adding explicit language in KSA 66-1502 that all assessments of expenses of investigations or appraisals of public utilities and common carriers begin at the time of application or the opening of a general investigation, and that the limitation of 3/5 of 1% of the public utility's intrastate gross operating revenues be repealed and actual direct costs be recovered. Finally, the Commission proposes eliminating the costly certified or registered mail requirements of KSA 66-1502. This would only require changing the word "registered" to "United States".

There would be no fiscal impact on the agency or other units of government. The changes proposed for KSA 66-1502 would merely shift the costs of investigations to the cost-causer(s) as opposed to adding those expenses to the general assessment of expenses for the commission, pursuant to KSA 66-1503. There would be minimal postage cost savings, in the overall budget, by removing the word "registered" from the statute and replacing with "United States".

Amend KSA 66-101d, 66-101e, 66-1,191, 66-1,192, 66-1,204, 66-1,205, 66-1,219, 66-1,220, 66-1,234 and 66-1,235 (investigations of electric, telephone, natural gas, motor carriers, miscellaneous utilities)

The Commission proposes amending the above-mentioned statutes dealing with investigations upon complaints and on the Commission's own initiative of electric, telephone, natural gas, motor carriers, and miscellaneous public utilities. Amending the statutes in order to align all public utility investigations equally, designating when the Kansas Administrative Procedures Act applies or does not apply, is the goal of the accompanying amendments.

There is no fiscal impact in relation to all the amendments proposed.

Attached is proposed amendatory language (attachment C).

66-117. Change of rates or schedules; procedure; effective date; higher rates of return in certain cases; hearing.

(a) Unless the state corporation commission otherwise orders, no common carrier or public utility over which the commission has control shall make effective any changed rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier except by filing the same with the commission at least 30 days prior to the proposed effective date. The commission, for good cause, may allow such changed rate, joint rate, toll, charge or classification or schedule of charges, or rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier to become effective on less than 30 days' notice. If the commission allows a change to become effective on less than 30 days' notice, the effective date of the allowed change shall be the date established in the commission order approving such change, or the date of the order if no effective date is otherwise established. Any such proposed change shall be shown by filing with the state corporation commission a schedule showing the changes, and such changes shall be plainly indicated by proper reference marks in amendments or supplements to existing tariffs, schedules or classifications, or in new issues thereof.

(b) Whenever any common carrier or public utility governed by the provisions of this act files with the state corporation commission a schedule showing the changes desired to be made and put in force by such public utility or common carrier, the commission either upon complaint or upon its own motion, may give notice and hold a hearing upon such proposed changes. Pending such hearing, the commission may suspend the operation of such schedule and defer the effective date of such change in rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier by delivering to such public utility or common carrier a statement in writing of its reasons for such suspension.

(c) The commission shall not delay the effective date of a proposed change in rate, joint rate, toll, charge or classification or schedule of charges, ~~or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier,~~ more than 240 days beyond the date the public utility or common carrier filed its application requesting the proposed change. If the commission does not suspend the proposed schedule within 30 days of the date the same is filed by the public utility or common carrier, such proposed schedule shall be deemed approved by the commission and shall take effect on the proposed effective date. If the commission has not issued a final order on the proposed change in any rate, joint rate, toll, charge or classification or schedule of charges, ~~or any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier,~~ within 240 days after the carrier or utility files its application requesting the proposed change, then the schedule shall be deemed approved by the commission and the proposed change shall be effective immediately, except that (1) for purposes of the foregoing provisions regarding the period of time within which the commission shall act on an application, any amendment to an application for a proposed change in any rate, which increases the amount sought by the public utility or common carrier or substantially alters the facts used as a basis for such

requested change of rate, shall, at the option of the commission, be deemed a new application and the 240-day period shall begin again from the date of the filing of the amendment, and (2) *if the commission finds that a change in circumstances has occurred which affects the ability of the commission to act within the 240 day period, the commission may extend the time to act by such amount of time necessary to accommodate the changed circumstances, provided, however, that, at the request of the utility, some or all of the request for change in the rate made by the utility shall be placed into effect 30 days after date of the utility's request or the date of the expiration of the 240 day period, whichever is later, on an interim basis, subject to refund with interest; should the commission determine upon the completion of its investigation, extended under the provisions of this subsection that the final rate is less than the rate put into effect subject to refund, the commission shall order such refund including reasonable interest at a rate equal to the utility's allowed overall return;* (3) ~~(2)~~ if hearings are in process before the commission on a proposed change requested by the public utility or common carrier on the last day of such 240-day period, such period shall be extended to the end of such hearings plus 20 days to allow the commission to prepare and issue its final order; (4) *rules, regulations, and contracts between public utilities required to be filed under K.S.A. §§ 66-101c, -1,203 and -1,190 are not subject to this subsection;* (5) *nothing in this subsection shall preclude the public utility or common carrier and the commission from agreeing to a waiver or an extension of the 240-day period.*

~~(e)~~ (d) Except as provided in subsection ~~(b)~~(c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission. Within 30 days after such changes have been authorized by the state corporation commission or become effective as provided in subsection ~~(b)~~(c), copies of all tariffs, schedules and classifications, and all rules and regulations, except those determined to be confidential under rules and regulations adopted by the commission, shall be filed in every station, office or depot of every such public utility and every common carrier in this state, for public inspection.

~~(d)~~ (e) Upon a showing by a public utility before the state corporation commission at a public hearing and a finding by the commission that such utility has invested in projects or systems that can be reasonably expected (1) to produce energy from a renewable resource other than nuclear for the use of its customers, (2) to cause the conservation of energy used by its customers, or (3) to bring about the more efficient use of energy by its customers, the commission may allow a return on such investment equal to an increment of from 1/2% to 2% plus an amount equal to the rate of return fixed for the utility's other investment in property found by the commission to be used or required to be used in its services to the public. The commission may also allow such higher rate of return on investments by a public utility in experimental projects, such as load management devices, which it determines after public hearing to be reasonably designed to cause more efficient utilization of energy and in energy conservation programs or measures which it

determines after public hearing provides a reduction in energy usage by its customers in a cost-effective manner.

(f) Nothing in these statutes shall preclude the commission from approving, proposing, or endorsing an incentive rate making plan as part of its rate-making process. As used in this section, incentive rates are rates set by means other than a cost of service analysis.

~~(e)~~(g) Whenever, after the effective date of this act, an electric public utility, a natural gas public utility or a combination thereof, files tariffs reflecting a surcharge on the utility's bills for utility service designed to collect the annual increase in expense charged on its books and records for ad valorem taxes, such utility shall report annually to the state corporation commission the changes in expense charged for ad valorem taxes. For purposes of this section, such amounts charged to expense on the books and records of the utility may be estimated once the total property tax payment is known. If found necessary by the commission or the utility, the utility shall file tariffs which reflect the change as a revision to the surcharge. Upon a showing that the surcharge is applied to bills in a reasonable manner and is calculated to substantially collect the increase in ad valorem tax expense charged on the books and records of the utility, or reduce any existing surcharge based upon a decrease in ad valorem tax expense incurred on the books and records of the utility, the commission shall approve such tariffs within 30 days of the filing. Any over or under collection of the actual ad valorem tax increase charged to expense on the books of the utility shall be either credited or collected through the surcharge in subsequent periods. The establishment of a surcharge under this section shall not be deemed to be a rate increase for purposes of this act. The net effect of any surcharges established under this section shall be included by the commission in the establishment of base rates in any subsequent rate case filed by the utility.

~~(f)~~(h) Except as to the time limits prescribed *above*, proceedings under this section shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

History: L. 1911, ch. 238, 20; R.S. 1923, 66-117; L. 1978, ch. 264, 1; L. 1980, ch. 201, 2; L. 1980, ch. 200, 1; L. 1988, ch. 356, 225; 1989; L. 1995, ch. 21, 2; L. 1995, ch. 70, 1; July 1.

66-118b. Same; reconsideration, petition; orders.

No cause of action arising out of any order or decision of the commission shall accrue in any court to any party unless such party shall petition for reconsideration in accordance with the provisions of K.S.A. 77-529 and amendments thereto, *except that the commission shall have thirty days to issue an order on reconsideration..*

No party shall, in any court, urge or rely upon any ground not set forth in the petition. An order made after reconsideration abrogating, changing or modifying the original order or decision, shall have the same force and effect as an original order or decision, including the obligation to file a petition for reconsideration, as provided in this section, as a condition precedent to filing an action for review thereof. The time for filing an appeal of any order or decision in a proceeding shall run from the date that all petitions for reconsideration in such proceeding have been denied or such petitions for reconsideration are deemed denied pursuant to subsection (b) of K.S.A. 77-529 and amendments thereto.

History: L. 1929, ch. 220, 2; L. 1970, ch. 268, 1; L. 1976, ch. 285, 1; L. 1986, ch. 318, 116; L. 1988, ch. 356, 226; L. 1989, ch. 283, 23; July 1; L. 1995, ch. 5, 2; July 1

ELECTRIC

66-101d. Same; investigation of rates, tolls, charges and services; orders of commission; hearing.

~~It shall be the duty of the commission, either upon complaint or upon its own initiative, to~~ *The commission, upon its own initiative, may* investigate all schedules of rates and rules and regulations of electric public utilities. If after investigation and hearing the commission finds that such rates or rules and regulations are unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission shall have the power to establish and order substituted therefor such rates and such rules and regulations as are just and reasonable.

If after investigation and hearing it is found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, unreasonably inefficient or insufficient, unduly preferential, unjustly discriminatory, or otherwise in violation of this act or of the orders of the commission, or if it is found that any service is inadequate or that any reasonable service cannot be obtained, the commission shall have the power to substitute therefor such other regulations, measurements, practices, service or acts, and to make such order respecting any such changes in such regulations, measurements, practices, service or acts as are just and reasonable. When, in the judgment of the commission, public necessity and convenience require, the commission shall have the power to establish just and reasonable concentration or other special rates, charges or privileges, but all such rates, charges and privileges shall be open to all users of a like kind of service under similar circumstances and conditions.

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

66-101e. Same; investigation ~~with or without~~ *upon* complaint.

Upon a complaint in writing made against any electric public utility governed by this act that any of the rates or rules and regulations of such electric public utility are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such electric public utility for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such electric public utility for the public is unreasonable, inadequate, inefficient, unduly insufficient or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary.

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

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

TELEPHONE

66-1,191. Same; investigation of rates, tolls, charges and services; orders of commission. ~~It shall be the duty of the commission, either upon complaint or upon its own initiative, to~~ *The commission, upon its own initiative, may* investigate all rates, joint rates, tolls, charges and exactions, classifications or schedules of rates or joint rates and rules and regulations of telecommunications public utilities. If after full hearing and investigation the commission finds that such rates, joint rates, tolls, charges or exactions, classifications or schedules of rates or joint rates or rules and regulations are unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission shall have the power to fix and order substituted therefor such rates, tolls, charges, exactions, classifications or schedules of rates or joint rates and such rules and regulations as are just and reasonable.

If upon any investigation it is found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, unreasonably inefficient or insufficient, unduly preferential, unjustly discriminatory, or otherwise in violation of this act or of the orders of the commission, or if it

is found that any service is inadequate or that any reasonable service cannot be obtained, the commission may substitute therefor such other regulations, measurements, practices, service or acts, and make such order respecting any such changes in such regulations, measurements, practices, service or acts as are just and reasonable. When, in the judgment of the commission, public necessity and convenience require, the commission may establish just and reasonable concentration or other special rates, charges or privileges, but all such rates, charges and privileges shall be open to all users of a like kind of service under similar circumstances and conditions.

66-1,192. Investigation ~~with or without~~ upon complaint; authority of commission. (a) Upon a complaint in writing made against any telecommunications public utility governed by this act, ~~by any mercantile, agricultural or manufacturing organization or society, or by any body politic or municipal organization, or by any taxpayer, firm, corporation or association,~~ that any of the rates or joint rates, tolls, charges, rules, regulations, classifications or schedules of such telecommunications public utility are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such telecommunications public utility for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such telecommunications public utility for the public is unreasonably inadequate, inefficient, unduly insufficient or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary.

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

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

NATURAL GAS

66-1,204. Same; investigation of rates, tolls, charges and services; orders of commission.

~~It shall be the duty of the commission, either upon complaint or upon its own initiative, to~~ *The commission, upon its own initiative, may* investigate all schedules of rates and rules and regulations of natural gas public utilities. If after investigation and hearing the commission finds that such rates or rules and regulations are unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission shall have the power to establish and order substituted therefor such rates and such rules and regulations as are just and reasonable.

If after investigation and hearing it is found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, unreasonably inefficient or insufficient, unduly preferential, unjustly discriminatory, or otherwise in violation of this act or of the orders of the commission, or if it is found that any service is inadequate or that any reasonable service cannot be obtained, the commission may substitute therefor such other regulations, measurements, practices, service or acts, and make such order respecting any such changes in such regulations, measurements, practices, service or acts as are just and reasonable. When, in the judgment of the commission, public necessity and convenience require, the commission may establish just and reasonable concentration or other special rates, charges or privileges, but all such rates, charges and privileges shall be open to all users of a like kind of service under similar circumstances and conditions.

66-1,205. Investigation ~~with or without~~ upon complaint; authority of commission.

(a) Upon a complaint in writing made against any natural gas public utility governed by this act that any rates or rules and regulations of such natural gas public utility are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any rule and regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such

natural gas public utility for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such natural gas public utility for the public is unreasonably inadequate, inefficient, unduly insufficient or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary.

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

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

MOTOR CARRIER

66-1,219. Same; investigation of rates, tolls, charges and services; orders of commission.

~~It shall be the duty of the commission, either upon complaint or upon its own initiative, to~~ The commission, upon its own initiative, may investigate all rates, joint rates, tolls, charges and exactions, classifications or schedules of rates or joint rates and rules and regulations of common carriers, except a motor carrier holding a certificate of public service. If after full hearing and investigation the commission finds that such rates, joint rates, tolls, charges or exactions, classifications or schedules of rates or joint rates or rules and regulations are unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission shall have the power to fix and order substituted therefor such rates, tolls, charges, exactions, classifications or schedules of rates or joint rates and such rules and regulations as are just and reasonable.

If upon any investigation it is found that any such regulation, measurement, practice, act or service complained of is unjust, unreasonable, unreasonably inefficient or insufficient, unduly preferential, unjustly discriminatory, or otherwise in violation of this act or of the orders of the commission, or if it is found that any service is inadequate or that any reasonable service cannot be obtained, the commission may substitute therefor such other regulations, measurements, practices, service or acts, and make such order respecting any such changes in such regulations, measurements, practices, service or acts as are just and reasonable. When, in the judgment of the commission, public necessity and convenience require, the commission may establish just and reasonable concentration or other special rates, charges or privileges, but all such rates, charges and privileges shall be open to all users of a like kind of service under similar circumstances and conditions.

66-1,220. Investigation ~~with or without~~ upon complaint; authority of commission.

(a) Upon a complaint in writing made against any common carrier, except a motor carrier holding a certificate of public service, governed by this act, ~~by any mercantile, agricultural or manufacturing organization or society, or by any body politic or municipal organization, or by any taxpayer, firm, corporation or association,~~ that any of the rates or joint rates, fares, tolls, charges, rules, regulations, classifications or schedules of such common carrier are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such common carrier for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such common carrier for the public is unreasonably inadequate, inefficient, unduly insufficient or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary.

~~The commission, upon its own motion, and without any complaint being made, may proceed to make such investigation, but~~ No order changing such rates, joint rates, tolls, charges, rules, regulations and classifications, schedules, practices or acts complained of shall be made or entered by the commission without a formal public hearing in accordance with the provisions of the Kansas administrative procedure act, of which due notice shall be given by the commission to such common carrier or to such complainant or complainants, if any. Any public investigation or hearing which the

commission shall have power to make or to hold may be made or held before any one or more commissioners. All investigations, hearings, decisions and orders made by a commissioner shall be deemed the investigations, hearings, decisions and orders of the commission, when approved by the commission.

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

MISCELLANEOUS PUBLIC UTILITIES

66-1,234. Same; investigation of rates, tolls, charges and services; orders of commission.

~~It shall be the duty of the commission, either upon complaint or upon its own initiative, to~~ *The commission, upon its own initiative, may* investigate all rates, joint rates, tolls, charges and exactions, classifications or schedules of rates or joint rates and rules and regulations of miscellaneous public utilities. If after full hearing and investigation the commission finds that such rates, joint rates, tolls, charges or exactions, classifications or schedules of rates or joint rates or rules and regulations are unjust, unreasonable, unjustly discriminatory or unduly preferential, the commission shall have the power to fix and order substituted therefor such rates, tolls, charges, exactions, classifications or schedules of rates or joint rates and such rules and regulations as are just and reasonable.

If upon any investigation it is found that any regulation, measurement, practice, act or service complained of is unjust, unreasonable, unreasonably inefficient or insufficient, unduly preferential, unjustly discriminatory, or otherwise in violation of this act or of the orders of the commission, or if it is found that any service is inadequate or that any reasonable service cannot be obtained, the commission may substitute therefor such other regulations, measurements, practices, service or acts, and make such order respecting any such changes in such regulations, measurements, practices, service or acts as are just and reasonable. When, in the judgment of the commission public necessity and convenience require, the commission may establish just and reasonable concentration, commodity, transit or other special rates, charges or privileges, but all such rates, charges and privileges shall be open to all users of a like kind of service under similar circumstances and conditions.

66-1,235. Investigation ~~with or without~~ *upon* complaint; authority of commission. (a) Upon a complaint in writing made against any miscellaneous public utility governed by this act, ~~by any mercantile, agricultural or manufacturing organization or society, or by any body politic or municipal organization, or by any taxpayer, firm, corporation or association,~~ that any of the rates or joint rates, tolls, charges, rules, regulations, classifications or schedules of such miscellaneous public utility are in any respect unreasonable, unfair, unjust, unjustly discriminatory or unduly preferential, or both, or that any regulation, practice or act whatsoever affecting or relating to any service performed or to be performed by such miscellaneous public utility for the public, is in any respect unreasonable, unfair, unjust, unreasonably inefficient or insufficient, unjustly discriminatory or unduly preferential, or that any service performed or to be performed by such miscellaneous public utility for the public is unreasonably inadequate, inefficient, unduly insufficient or cannot be obtained, the commission shall proceed, with or without notice, to make such investigation as it deems necessary.

~~The commission may, upon its own motion, and without any complaint being made, proceed to make such investigation, but~~ *No* ~~no~~ order changing such rates, joint rates, fares, tolls, charges, rules, regulations and classifications, schedules, practices or acts complained of shall be made or entered by the commission without a formal public hearing in accordance with the provisions of the Kansas administrative procedure act, of which due notice shall be given by the commission to such miscellaneous public utility or to such complainant or complainants, if any. Any public investigation or hearing which the commission shall have power to make or to hold may be made or held before any one or more commissioners. All investigations, hearings, decisions and orders made by a commissioner shall be deemed the investigations, hearings, decisions and orders of the commission, when approved by the commission.

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

Attach 4



Larry R. Vaughn
Superintendent

January 30, 1997

SENATE UTILITIES COMMITTEE
Senator Pat Ranson, chair

Submitted by Diane A. Gjerstad, legislative liaison, Wichita Public Schools

Madam Chair, members of the Committee:

Wichita Public Schools would request your courtesy to introduce a bill which permits the Kansas Corporation Commission to authorize a pilot for all classes in the KGE service area. The language we would suggest also addresses aggregation.

Suggested language:

Authorize the KCC to permit demonstration projects within the certificated electric territory that is served principally by an electric utility which operates a nuclear electric power generating station for a period of two years (KGE). Such projects are to include all classes of customers (industrial, commercial, small business, and residential).

Also authorize the KCC to permit electric load aggregation within KGE service territory by non-profit groups such as hospitals and schools.

Thank you, Madam Chair.

SENATE UTILITIES
1-30-97
ATT 4

ATTACH: 5
Stan Clark
JAN. 30

Suggested Language For Legislation

Authorize the State Corporation Commission (KCC) to permit electric and natural gas unbundling and open access demonstration projects within the Midwest Energy, Inc. certificated service territory. Such projects are to include all classes of retail customers (residential, commercial, industrial, oil field, and irrigation), and participation by each customer shall be on a voluntary basis. Such projects should result in market place competition for commodity supply while maintaining KCC regulation over delivery, service quality and safety issues. The utility should propose methods of load aggregation for small customers, strategies for the mitigation of stranded costs, and strategies to minimize tax impacts on local governments. The utility should solicit customer suggestions in the design of the pilot project.

SENATE UTILITIES
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ATT 5
~~ATT 5~~

Attach 6

OVERVIEW OF RECENT ACTIVITY
AT THE KANSAS CORPORATION
COMMISSION
BY: GLENDA CAFER
DIRECTOR OF UTILITIES

Telecom:

Competition Phase II, Docket No. 190,492-U, and Quality of Service, Docket No. 191,206-U, were our primary activities. We have also been very busy, much more than ever before, monitoring and participating in activities at the FCC. This is because of the Federal Telecommunications Act of 1996. It required the FCC establish rules which directly impact the state of Kansas.

Gas Policy:

During 1996, the KCC began reviewing its existing policies regarding the provisioning of gas service to customers, and examining new policies on issues facing the industry. An informal workshop was held before the Commissioners in October, the primary focus of which was the unbundling of the gas industry functions. Other issues being looked at are: the KCC's pipeline competition policy, the policies of granting exclusive service territories and prohibiting bypass, problems surrounding areas where dual certification has occurred, and requiring tariffs which allow aggregation of gas customers for all Kansas companies.

Utilicorp Rate Increase:

Utilicorp requested a \$5m rate increase for its gas service. After a financial audit, KCC staff believed a reasonable increase was \$3.35m and entered into a stipulation with the company for that amount. The Commission approved that level of increase in November, Docket No. 193,787-U.

Marketing Affiliate Docket:

In September our Commission issued an order in Docket No. 190,358-U, establishing the rules governing the relationship between jurisdictional gas utilities and their affiliated marketing companies. The selling of gas is suppose to be done in a competitive marketplace. However, when the purchasing utility is affiliated with one of the sellers, that seller has a competitive advantage over other sellers in the marketplace. The KCC adopted rules intended to level this playing field for all marketing competitors.

SENATE UTILITIES
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Western Resources Gas Rate Case:

The KCC issued an order in the WRI gas rate case in April, Docket No. 193,305-U. In its initial filing, the company stated it was under earning by \$60m, but requested only a \$37.9m rate increase. After a financial audit performed by KCC staff, the Commission ordered a revenue increase for the company of \$33.8m.

Western Resources Electric Rate Case:

KCC staff performed a financial audit of WRI's electric operations during the latter part of 1995 and the first part of 1996. That audit resulted in a stipulation being reached between staff, the company, CURB, and the City of Wichita which required WRI to lower its rates \$75m over the next three years and to give its customers an additional \$10m in rebates. The Commission issued an order last week approving the stipulation as proposed.

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

Attach. 7

DATE	NATURAL GAS		(ARKLA)	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)	NORTHERN NATURAL GAS CO. (TX, OK, KS)	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	1.690	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

SENATE UTILITIES
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17-2

MONTH	UNITED CITIES FIRM PGA	WESTERN RESOURCES K-SYSTEM T-SYSTEM	UTILI CORP UNITED PEOPLES 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	\$2.6904
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	\$2.6904
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	\$2.6904
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	\$2.6904
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	\$2.6904
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	\$2.6904
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	\$2.6904
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	\$2.6904
CUST. RATE	\$6.3897	\$5.6614	\$5.4816	\$6.8165	\$6.5552	\$4.4097	\$6.84	\$5.7994