

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on February 10, 1998 in Room 514-S of the Capitol.

All members were present except: Rep. Klein - excused

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

Conferees appearing before the committee:

Others attending: See attached list

Chairman Don Myers mentioned that tomorrow the Committee will be hearing and there may be possible final action on **HB 2743** which is the underground utilities bill that was introduced last week.

The Chairman mentioned that the action from the Sub-committee regarding Kansas Corporation Commission involvement in Retail Wheeling was distributed in a letter from Representative Sloan (Attachment #1). The report will be discussed at a later date. Also, the fiscal note on **HB 2679** was distributed.

The Chairman mentioned that the Committee had ended last week on February 4 with a motion on **HB 2679** involving passing on costs of unbundling by Representative Johnson and was seconded by Representative Stone. The Chairman recognized Representative Johnson who requested to withdraw his motion, and upon agreement by Representative Stone who seconded the motion, the motion was withdrawn.

The Chairman recognized Mary Ann Torrence, Staff, who mentioned that she had prepared a handout which showed what had happened to **HB 2679** up to this point (Attachment #2).

The Chairman recognized Representative Johnson who made a motion for a new proposed balloon amendment on Page 2, after line 8, new Sec. 2., "All reasonable costs of complying with this Act shall be recoverable through a competitive transition charge to be determined by the Commission, except to the extent the Commission determines recovery will be completed through regulated rates." Representative Stone seconded the motion. (Attachment #3) Discussion and questions followed. Representative closed and moved his amendment. Motion carried.

The Chairman recognized Representative McKinney who made a motion that the act become effective in the Kansas Register. Representative Alldritt seconded the motion. Motion carried.

The Chairman recognized Representative McKinney who discussed, referring to Page 2 of his balloon distributed February 4 on subsection (e), Commission jurisdiction over municipal electric utilities or electric cooperatives. The Chairman recognized Staff, Mary Ann Torrence, Revisor, and she suggested changing the definition of electric public utility to exclude those parts of a municipal utilities' territory that lies three miles outside their corporate limits and not include subsection (e). Representative McKinney made a conceptual motion to amend, in the bill, on Page 1, line 23, where electric public utility is defined to provide that electric public utilities do not include any portion of service territory of a municipal electric utility that lies outside the three-mile limit. Representative Humerickhouse seconded the motion. Questions and discussion followed. Motion carried.

The Chairman recognized Representative Aurand who made a motion to raise the \$200,000 figure to \$500,000 on Page 1, after line 39, because of the towns still under 400 people had close to \$500,000 in revenues. Representative McKinney seconded the motion. Motion carried. Representative Sloan requested that his vote of "no" be recorded.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 514-S Statehouse, at 9:00 a.m. on February 10, 1998.

The Chairman recognized Representative McKinney who made a motion to adopt a provision from his balloon, distributed February 4, on Page 2, lines 1 through 8, for only (1) a generation charge, (2) a distribution charge, (3) a transmission service charge, and then (4) sales, use and franchise taxes related to sale of furnishing electricity and no indirect taxes listed to eliminate one line and eliminating a very confusing part of the bill for the customer and a very challenging part of the bill for the utility. Representative Aurand seconded the motion. Discussion followed. Representative McKinney requested to withdraw his motion, and upon agreement with Representative Aurand who had seconded the motion, the motion was withdrawn.

The Chairman recognized Representative McKinney who made a motion to adopt a provision from his balloon that was distributed February 4, on Page 2, lines 1 through 8, to have four lines for (1) generation, (2) distribution, (3) transmission and (4) sales, use and franchise taxes and other fees related to sale of furnishing electricity retail. Representative Aurand seconded the motion. Discussion followed. Motion carried. Representative Sloan requested that his vote of "no" be recorded.

The Chairman recognized Representative Sloan who made a motion to recommend **HB 2679** unfavorable for passage and report the bill adversely. Representative Mayans seconded the motion. Discussion followed. Motion failed.

The Chairman recognized Representative McKinney who made a motion to report **HB 2679** as amended favorable for passage. Representative Vining seconded the motion. Motion carried. The Chairman will contact someone to carry the bill.

The meeting was adjourned at 10:00 a.m.

The next meeting is scheduled for February 11, 1998.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 10, 1998

NAME	REPRESENTING
J.C. Long	UtilCorp United
Larry Hollaway	KCC
Doug Wright	Western Resources
David Bybee	KDOCH
Ranée Ann Brown	rs Gout Consulting
Petrick Shurley	KCBF
Wayne Kitcher	Western Resources
Ernie Lehman	Western Resources
Joe Duck	BPU KCK
Bruce Graham	KEPCO
Tom Riches	McGill's Asso
Dave Hattaway	Western Resources
Stephen Keesa	Midwest Energy
David Campbell	Midwest Energy
John Pingan	SITA
Leslie Kaufman	Ks Farm Bureau
Rebecca Jones	Constituent
John Miles	KEC
Les Murphy	KEC



STATE OF KANSAS

TOM SLOAN  
REPRESENTATIVE, 45TH DISTRICT  
DOUGLAS COUNTY

STATE CAPITOL BUILDING  
ROOM 446-N  
TOPEKA, KANSAS 66612-1504  
(913) 296-7677  
1-800-432-3924

772 HWY 40  
LAWRENCE, KANSAS 66049-4174  
(913) 841-1526



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER: ENVIRONMENT  
UTILITIES

February 5, 1998

Don Myers, Chairman:

Re: Subcommittee on Kansas Corporation Commission's Role in Retail Wheeling Legislation

The Subcommittee on the Kansas Corporation Commission's Role in Retail Wheeling Legislation met four times pursuant to your instructions. Our charge was to determine if and how the KCC's role in deregulating the Kansas electric industry should be modified from that contained in legislation recommended by the Retail Wheeling Task Force.

The Subcommittee heard testimony from the KCC regarding their role, as defined in the Task Force's Report, CURB, electric industry representatives, and others. Suggested revisions to HB2619 generally called for larger responsibilities for the KCC or other government entities.

Subcommittee members discussed the materials and ideas presented, reviewed the charge from the Utility Committee's chairman, and recommended no action be taken at this time to amend HB2619,

This report is submitted by the Subcommittee Chairman, Rep. Tom Sloan.

Subcommittee members:  
Rep. Tom Burrows  
Rep. Joe Humerickhouse  
Rep. Don Johnson  
Rep. Tom Klein  
Rep. Lloyd Stone  
Rep. Dixie Toelkes

House Utilities  
02-10-98  
Attachment 1

## H.B. 2679

### AMENDMENTS ADOPTED

#### Implementation date

July 1, 2000 (page 1, lines 30 & 34, "staff" balloon)

#### Application to municipal utilities

Those with gross revenues of \$200,000 or more (page 1, line 39, Rep. McKinney's balloon)

#### Components required

"Direct" and "indirect" taxes; indirect taxes based on average per kilowatt hour (page 2, lines 6 & 8, Rep. Sloan's balloon)

Customer service charges, as defined by the KCC (page 2, line 8, Rep. Sloan's balloon)

Examples of direct and indirect taxes and customer service charges (page 2, line 8, Rep. Sloan's balloon)

### AMENDMENT PENDING

Public utility recovery of costs (page 2, line 8, "staff" balloon)

### AMENDMENTS NOT CONSIDERED

KCC jurisdiction over municipalities for purposes of bill unbundling (page 2, line 8, Rep. McKinney's balloon)

Effective date Kansas Register (page 2, line 10, Rep. McKinney's balloon)

House Utilities  
02-10-98  
Attachment 2

HOUSE BILL No. 2679

By Committee on Utilities

1-21

9 AN ACT concerning retail electric bills to consumers; providing for dis-  
10 closure of certain components.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section:

14 (1) "Commission" means the state corporation commission.

15 (2) "Distribution services" means services provided from the point  
16 where electricity enters the distribution system to the point at which the  
17 electricity is delivered to consumers.

18 (3) "Generation services" means provision of electricity and capacity  
19 to generate electricity but does not include transmission or distribution  
20 services.

21 (4) "Electric cooperative" means an electric cooperative public utility  
22 that is not subject to the jurisdiction of the commission.

23 (5) "Electric public utility" means an electric public utility, as defined  
24 by K.S.A. 66-101a and amendments thereto, that is subject to the juris-  
25 diction of the commission.

26 (6) "Transmission services" means services provided from the point  
27 where electricity is generated to the point at which the electricity enters  
28 the distribution system.

29 (b) Before January 1, 1999, the commission shall adopt rules and  
30 regulations requiring that, on and after January 1, 2000, an electric public  
31 utility's retail electric bills to consumers shall disclose the components  
32 specified by subsection (d) and such other components as the commission  
33 determines will adequately inform consumers.

34 (c) On and after January 1, 2000:

35 (1) An electric cooperative public utility's retail electric bills to con-  
36 sumers shall disclose the components specified by subsection (d) and such  
37 additional components as the cooperative determines will adequately in-  
38 form consumers; and

39 (2) a municipal electric utility's retail electric bills to consumers shall  
40 disclose the components specified by subsection (d), the component at-  
41 tributable to budgeted transfers to the city general fund and such addi-  
42 tional components as the governing body of the municipality determines  
43 will adequately inform consumers.

HB 2679

2

1 (d) The following components are required to be disclosed pursuant  
2 to subsections (b) and (c):

3 (1) Generation service charges;

4 (2) distribution service charges;

5 (3) transmission service charges;

House Utilities  
02-10-98  
Attachment 3

6 (4) transactional taxes relating to the sale or furnishing of electricity  
7 at retail; and

8 (5) the portion of the bill attributable to other taxes included in rates.

9 Sec. 2. This act shall take effect and be in force from and after its  
10 publication in the statute book.

11

Sec. 2 - All reasonable costs of complying with this Act shall be recoverable through a competitive transition charge to be determined by the Commission, except to the extent the Commission determines recovery will be completed through regulated rates.