

Approved: MARCH 5, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 23, 1998 in Room 123-S of the Capitol.

All members were present

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

Conferees appearing before the committee:
none

Others attending: See attached list

Sen. Ranson called the committees' attention to:

SB 589-electric cooperative public utilities; jurisdiction of corporation commission

She referred to hearings for the bill held on February 18 and 19 and stated that the committee was unable to hear testimony from the following opponents: Walker Hendrix, Don Schnacke and Sen. Clark. Their testimony will be accepted as written testimony and copies were distributed to the committee on February 19. If additional copies are needed, they are available from the secretary. Sen. Ranson also referred to questions from Sen. Lee during the hearing regarding an Attorney General's Opinion, copies of which have been made available for the committee (Attachment 1).

Sen. Ranson stated the committee has not been briefed on the above bill and asked Lynne Holt to do so. Copies of her briefing were distributed to committee members (Attachment 2). Committee members questioned Ms. Holt regarding issues covered in her review and in the bill itself. Sen. Lee asked questions regarding contracts and if the bill deregulates wholesale activities. She also questioned the status of a lawsuit in Graham County, and clarification of the specific issues regarding the fact that the KCC has limited jurisdiction over Sunflower. Sen. Ranson asked if IOU wholesale contracts are under KCC regulation, and Ms. Holt indicated they are. She then asked if wholesale contracts between the coops and the municipals are subject to FERC, if this bill passes. Mr. Dittmore replied, no, not without Congressional action.

Sen. Ranson referred to another bill previously discussed:

SB 502-retail electric bills to consumers; disclosure of certain components

She announced distribution of the following:

Humorous sample of unbundled bill from Kansas Electric Power Cooperatives (Attachment 3)
Consumer guide from Rhode Island's "Be a Smart Shopper" (Attachment 4) - previously distributed
Rhode Island bill (Attachment 5)
Option 1 and 2 from Kansas Municipal Utilities (Attachment 6)
Letter from Colin Whitley, Director of Electric Utility, Winfield (Attachment 7)

Committee members discussed entries in the sample bills, and Sen. Ranson read the letter from Mr. Whitley of Winfield. She announced the committee will discuss **SB 502** again tomorrow.

Meeting adjourned at 2:30.

Next meeting will be February 24, 1998

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: Feb. 23, 1998

NAME	REPRESENTING
Joe Dink	KCKBPY
Louis Stroup Jr. WALKER HENDRIX	KANSAS Municipal Utilities CURB
Long Holloway of Chong	KCC UtiliCorp United
Rt. May	Senate
Don't Giles	KCC
Lester Murphy	KEC
Eddie Lehman	Western Resources
Don Schnacke	KIOGA
Patrick J. Hurley	KCB
Bruce Graham	KEPC
Cindy Denton	DAB
Martin Hawwa	Hawwa's Capital Reports
TOM DAY	KCC
JULIE HEIN	HEIN & WEHR CHARTERED
Amy Campbell	Midwest Energy



State of Kansas

Office of the Attorney General

301 S.W. 10TH AVENUE, TOPEKA 66612-1597

CARLA J. STOVALL
ATTORNEY GENERAL

May 15, 1997

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ATTORNEY GENERAL OPINION NO. 97- 47

The Honorable Stan Clark
State Senator, 40th District
200 U.S. 83
Oakley, Kansas 67748

Re: Public Utilities--Powers of State Corporation Commission; Electric Public Utilities--Rules, Regulations and Procedure; Change of Rates or Schedules; Procedure

Synopsis: The holding in *Energy Reserve Group, Inc. v. Kansas Power & Light Co.*, 230 Kan. 176 (1981), cannot be construed as conclusive authority for the constitutionality of legislative intervention into private electric utility contracts, but the case does provide the criteria which legislative intervention must meet in order to overcome a constitutional challenge for impairing a contract. The Kansas Corporation Commission has the authority to abrogate utility contracts but only after an express finding that the contracts at issue are unreasonable, unjustly discriminatory, unduly preferential and adversely impacting the public welfare. Cited herein: K.S.A. 55-402; 55-404; K.S.A. 1996 Supp. 66-101b; 66-101c; 66-101d; 66-101e; 66-101f.

* * *

Dear Senator Clark:

As Senator for the 40th district, you inquire whether the holding in the Kansas Supreme Court case *Energy Reserves Group, Inc. v. Kansas Power and Light Co.*, 230 Kan. 176 (1981), may be construed as authority for legislative intervention into utility contracts between Sunflower Electric Power Corporation and several rural electric associations. You

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also query whether the Kansas Corporation Commission has the authority to adjust the rates charged under these contracts.

You indicate that your constituents are concerned about the excessively high rates being charged by Sunflower to the seven rural electric cooperatives that entered into contracts to buy all of their electric power from Sunflower.

The case in question, *Energy Reserves Group, Inc. v. Kansas Power and Light Co.*, 230 Kan. 176 (1981), *aff'd* 459 U.S. 400, 103 S.Ct. 697, 74 L.Ed. 2d 569 (1983) (*Energy Reserves*), is a declaratory judgment action involving the construction of the terms of several natural gas purchase contracts in light of both federal and state legislation. In pertinent part, the court concludes the state legislation (the Kansas Natural Gas Price Protection Act, K.S.A. 55-1402 *et seq.*) is a reasonable exercise of the state's police power because it addressed an important public purpose of regulating the intrastate price of natural gas in light of federal legislation which "substituted deregulation for close agency regulation under which the industry had operated for many years." 230 Kan at 189. The case involves federal legislation which reserved to the states the authority to control prices for intrastate gas purchases. In accordance with this authority, the Kansas legislature, in an effort to minimize the impact of gas price increases due to the federal deregulation, chose to allow only gradual gas price increases by postponing the automatic price escalator clauses in intrastate gas purchase contracts for several years. K.S.A. 55-1404.

The contracts in question are all-requirements, wholesale electric power contracts, but they do not involve facts which the court used to determine the constitutional issue in *Energy Reserves*. In short, it is our opinion that the Supreme Court case cannot be used as conclusive authority for legislative intervention into the utility contracts in question because they do not involve the same circumstances. However, *Energy Reserves* is important because it provides the criteria which must be met if legislation which affects private contracts is to withstand a challenge based on the constitutional prohibition against state impairment of contract obligations, U.S. Const., Art. 1, Sec. 10. The test for determining whether a state law violates the contract clause of the United States Constitution is whether: (1) The State law has substantially impaired a contractual relationship; (2) there is a significant and legitimate public purpose behind the legislation; and (3) the adjustment of the contracting parties' rights and responsibilities is based upon reasonable conditions and is appropriate to the public purpose justifying the legislation's adoption. *Energy Reserves* citing *Allied Structural Steel Co. v. Spannaus*, 438 U.S. 234, 98 S.Ct. 2716, 57 L.Ed. 2d 727 (1978); *Home Bldg. & L. Ass'n v. Blaisdell*, 290 U.S. 398, 54 S.Ct. 231, 78 L.Ed.413 (1934). See: *Federal Land Bank of Wichita v. Bott*, 240 Kan. 624 (1987) (for a historical review of the test). Given that your question does not involve the constitutionality of specific state legislation, we are unable to apply the criteria. In short, whether there is a constitutionally challengeable consequence created by legislative intervention is a factual question, dependent on the facts in each particular case. 64 Am.Jur.2d *Public Utilities* § 191 (1972).

Your second question is whether the Kansas Corporation Commission (KCC) has, under its general powers to regulate, the authority to downwardly adjust the rates charged by Sunflower. The KCC has broad power pursuant to K.S.A. 1996 Supp. 66-101b to require that a public utility charge the ratepayer a reasonable rate for the regulated services provided by the utility. More specifically, every electric public utility must file not only schedules of rates but also all contracts. K.S.A. 1996 Supp. 66-101c. The KCC investigates, upon complaint or upon its own initiative, all schedules of rates of electric public utilities. After investigation and hearing, the commission finds whether the rates are unjust, unreasonable, unjustly discriminatory or unduly preferential and may establish and order substitute rates as are reasonable and just. K.S.A. 1996 Supp. 66-101d. Accordingly these statutes provide the basis for authority to conduct rate proceedings which can downwardly adjust the rates. However, absent the requisite public interest discussed in our response to your first question, the abrogation of a contract may not be effected merely to relieve one or the other of the parties from imprudent or unprofitable undertakings. **Central Kansas Power Co. v. State Corporation Commission**, 181 Kan. 817 (1957); **Wichita R. & Light Co. v. Public Utilities Comm'n of the State of Kansas**, 260 U.S. 48, 43 S. Ct. 51, 67 L.Ed. 124 (1922); **Arkansas Natural Gas Co. v. Railroad Commission, et al.**, 261 U.S. 379, 43 S.Ct. 387, 67 L.Ed. 705 (1922).

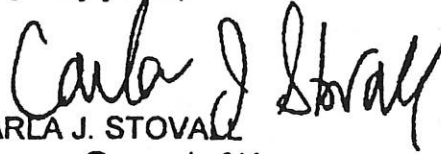
You also question whether the federal government's involvement in the financing of the contracts in question affects the legislative intervention contemplated in the first question. The contracts in question are not simple all-requirements contracts but rather wholesale power contracts wherein the seller constructed an electric generating plant in return for payment on the power furnished, payment on account of principal and interest on all indebtedness of the seller, and payment on reasonable reserves. It is clear that the parties' indebtedness would be a consideration when rates are at issue. See **Tri-State Generation & Transmission Association, Inc. v. Shoshone River Power, Inc.**, 874 F.2d 1346, 1359 (10th Cir. 1989). How the indebtedness would affect the legislative intervention cannot be addressed without consideration of the legislation. See first question above.

In conclusion it is our opinion that the holding in **Energy Reserve Group, Inc. v. Kansas Power & Light Co.**, 230 Kan. 176 (1981) cannot be construed as conclusive authority for the constitutionality of legislative intervention into private electric utility contracts, but the case is important because it provides the criteria which any legislative intervention must meet in order to overcome an unconstitutional impairment of contract challenge. Additionally, the KCC has the authority to abrogate utility contracts but only after an

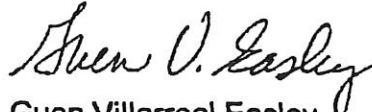
Senator Stan Clark
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express finding that the contracts at issue are unreasonable, unjustly discriminatory, unduly preferential and adversely impacting the public welfare.

Very truly yours,



CARLA J. STOVALL
Attorney General of Kansas



Guen Villarreal Easley
Assistant Attorney General

CJS:JLM:GVE:jm

February 23, 1998

To: Senate Committee on Utilities
From: Lynne Holt, Principal Analyst
Re: Deregulation of Electric Cooperatives

This memorandum does the following: provides a brief profile of the electric cooperatives in Kansas; summarizes the jurisdiction of the Kansas Corporation Commission (KCC) over deregulated electric cooperatives; summarizes the jurisdiction of the KCC over regulated electric cooperatives; describes the process in which an electric cooperative must engage to become deregulated; and, based on my understanding of the issues underlying the bill, outlines the implications of S.B. 589, with proposed amendments.

Profile of Electric Cooperatives

Presently, 26 Kansas distribution electric cooperatives are deregulated. A total of six electric cooperatives—four distribution cooperatives and two generation and transmission (G&T) cooperatives are regulated by the KCC. The four distribution cooperatives include: Kaw Valley (Topeka); Pioneer (Ulysses); Victory (Dodge City); and Wheatland (Scott City). The two G&T cooperatives are Sunflower, based in Hays, and KEPCo, based in Topeka. Sunflower supplies electric energy to six member distribution cooperatives—Lane-Scott; Prairie Land; Pioneer; Victory; Western; and Wheatland. In addition, Sunflower supplies electric energy through an all-requirements contract to a former member, Great Plains, which was purchased in 1988 by Midwest Energy. (Midwest Energy is a privately-financed gas and electric distribution, transmission, and generation cooperative, based in Hays.) Moreover, Sunflower supplies electric energy on a wholesale basis to seven municipalities. KEPCo supplies electric energy to 22 member distribution cooperatives, two of which also purchase energy from Sunflower. Doniphan and Nemaha-Marshall cooperatives are not members of either G&T.

With respect to governance, the distribution cooperatives are governed by their membership. The membership of a distribution cooperative elects a Board of Trustees, which meets monthly and directs its activities. Sunflower is governed by a Board of Directors comprised of representatives of its six member-owners. KEPCo is governed by a Board of Trustees representing each of its 22 members.

KCC Jurisdiction Over Deregulated Electric Cooperatives

No electric cooperative is totally deregulated in Kansas. However, deregulation of rates and services is authorized for distribution electric cooperatives which have fewer than 15,000 customers and which provide power principally at retail. A deregulated electric cooperative is not subject to the KCC's jurisdiction for purposes of rate regulation unless a petition is signed by not less than 5 percent of all the cooperative's customers or 3 percent of the cooperative's

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customers from any one rate class. The petition must be filed with the KCC not more than a year after a change in the cooperative's rates. Subject to protest petition, the KCC must conduct an investigation to determine whether the rates are unjust, unreasonable, unjustly discriminatory, and unduly preferential. The KCC is authorized to fix or substitute rates if such a determination is made. The law authorizing deregulation (K.S.A. 66-104d) has been in effect since 1992 and no protest petition has been invoked which meets all the conditions set forth in statute.

In addition to not regulating deregulated cooperatives' rates, the KCC does not exercise jurisdiction over their services, such as billing, collections, customer complaints related to deregulated matters, and the Cold Weather Rule. Because they are not rate regulated, deregulated electric cooperatives are not required to file tariffs. Moreover, **the KCC does not exercise jurisdiction over contracts, such as special retail contracts and fuel contracts. The only exception is sales of power for resale (wholesale) contracts.**

Although deregulated electric cooperatives are not rate or service regulated, except for the situations addressed above, K.S.A. 66-104d authorizes the KCC to retain authority over certification of service territory (K.S.A. 66-131); wire stringing and transmission line siting (K.S.A. 66-183); charges for transmission services; and, as previously noted, wholesale contracts.

The KCC does not assess deregulated electric cooperatives for expenses incurred with the exception of actual expenses associated with services extended, filings processed, or actions certified by the Commission. This exception was included in 1997 S.B. 333.

KCC Jurisdiction Over Regulated Electric Cooperatives

The four distribution electric cooperatives that have remained under KCC regulation are subject to the same jurisdictional requirements as deregulated cooperatives (certification of service territory, wire stringing and transmission line siting, wholesale power, and charges for transmission service). In addition, these cooperatives are rate and service regulated but may elect an expedited application process for rate changes outlined in K.A.R. 82-1-231(a). KCC action on such applications usually occurs within 90 days unless the KCC receives substantial comment during the comment period to warrant additional time.

The two G&T cooperatives and Midwest Energy are "public utilities" and therefore subject to KCC jurisdiction pursuant to K.S.A. 66-104, which includes all companies for the production, transmission, delivery or furnishing of heat, light, water, or power. Furthermore, such G&Ts fall under the definition of "electric public utility" pursuant to K.S.A. 66-101a. Such utility is defined in that statute as generating or selling electricity.

The two G&T cooperatives are borrowers of the U.S. Department of Agriculture acting through the Rural Utilities Service (RUS). They are regulated by RUS with respect to all matters that would otherwise be under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Midwest Energy no longer borrows from RUS and is, therefore, regulated by FERC.

The KCC's time period for taking action on proposed wholesale contracts—a requirement governing regulated and deregulated cooperatives—is the 240-day limit applicable to all proceedings under K.S.A. 66-117.

All regulated electric cooperatives are required to file tariffs with the KCC and are subject to KCC oversight with respect to all their contracts (K.S.A. 66-101c). However, as reflected in the case of *Hill City, Prairie Land, Sunflower v. the KCC*, there has been disagreement about what that oversight specifically entails.

The KCC is authorized to assess regulated electric cooperatives for expenses incurred for investigations and regulatory oversight pursuant to both K.S.A. 66-1502 and K.S.A. 66-1503.

Process for Cooperatives to Become Deregulated

K.S.A. 66-104d outlines the process governing exemption from KCC regulation. **An electric cooperative is required to hold an election invoked by either its board of trustees or a protest petition of 10 percent of the cooperative's members.** A proposition for deregulation must be approved by an affirmative vote by not less than a majority of the members voting on the proposition. Voting on the proposition for deregulation must be by mail ballot. A deregulated cooperative may become reregulated using the same procedure that governs deregulation. An election to become deregulated or reregulated may not occur more often than every two years.

Implications of S.B. 589

Chairperson Ranson asked me to identify the implications of S.B. 589 and respond to the question: What does this bill really do? I was asked to include in this review the three amendments offered by Mr. Hanson, Kansas Municipal Utilities, and Mr. Graham, KEPCo. My response which is, of course, confined to my nonpractitioner's understanding of the bill and a very short time line addresses two levels—one is what the bill appears to do on the surface. The other is what implications it could have below the surface.

On the surface, the bill, with the three proposed amendments, appears to do the following:

- extend the option of exemption from KCC jurisdiction to distribution electric cooperatives which have 15,000 customers or more and which do not provide power principally at retail;
- extend the option of exemption from KCC jurisdiction to Sunflower and KEPCo—nonstock member-owned cooperative corporations (not defined under K.S.A. 17-4603) which have boards of directors ;
- remove from KCC jurisdiction wholesale contracts between regulated or deregulated electric cooperatives and other parties;
- remove from KCC jurisdiction transmission charges assessed by cooperatives under FERC regulation;
- cause the KCC to reconsider rate changes if at least three members of a G&T submit a petition; and

- require any G&T electing exemption to not increase the tariff rates charged to its wholesale customers above the levels in effect as of January 1, 1998, without KCC approval.

Below the surface, the bill, if enacted, may have several ramifications. Generally, these ramifications were under dispute in the recent case between Hill City, Prairie Land, and *Sunflower v. the KCC*. Some of these ramifications, in abbreviated manner, also were raised in testimony presented to the Committee. The heart of the Hill City dispute revolved around an agreement entered into by Sunflower, Prairie Land, and Hill City for interconnection and power supply. Midwest Energy protested a proposed permanent substation to transmit power from Prairie Land to Hill City. Midwest alleged the substation would bypass its existing transmission facilities and reduce revenues, thus causing the company to increase rates to certain customers. The KCC issued an order denying the construction of the new substation and interconnection facilities. Sunflower was ordered to reimburse Midwest for \$92,672.38 for lost revenue resulting from Sunflower's sale of power to Hill City through a temporary substation. Sunflower and Prairie Land submitted a motion for reconsideration and stay which was denied. Sunflower requested the Graham County District Court to conduct a judicial review of the KCC's actions. The case will be assigned to a new district court due to a conflict of interest on the part of the Graham County district judge.

The following **policy questions** underlie this case.

To what extent does the KCC have jurisdiction between wholesale contractual agreements between a deregulated electric cooperative and a municipality? Clearly, the bill would remove any question concerning that jurisdiction. The KCC would have no more jurisdiction. This was certainly one of the issues raised in Sunflower's Petition for Judicial Review. Whether services rendered are in the overall public interest in the *Hill City* case depends, of course, on the positions of the affected parties. In another example, conferees from Dighton and Lane-Scott raised concerns with the KCC's response time in approving a wholesale power contract. On the one hand, if the KCC has no jurisdiction over wholesale power contracts between deregulated electric cooperatives and municipalities, these contracts might be executed more expeditiously. Moreover, there are obviously costs associated with regulation. Lane-Scott reported an assessment of \$3,000 by the KCC, in addition to forgone revenue due to regulatory delay. On the other hand, KCC staff furnished information to the Committee concerning cost benefits realized by affected parties and customers. These cost benefits were attributed by the Commission staff to its regulatory oversight.

To what extent does the KCC have jurisdiction over transmission services? In the *Hill City* case, the KCC contended that Prairie Land was not authorized to provide transmission service because it did not have a transmission tariff on file with the KCC. Sunflower's transmission service has been regulated by the KCC. However, open access tariffs filed with FERC in compliance with FERC Order 888 would arguably remove the KCC's jurisdiction over Sunflower's transmission services in situations where nonmembers, such as municipal utilities, would want to use Sunflower's system to access other wholesale markets. Mr. Watkins testified that inclusion of FERC in this amendment would address the concern that Sunflower not be regulated twice for the same services. The original amendment would have applied to regulation by the RUS or FERC and several conferees expressed concern with that amendment.

To what extent would the provision ensuring the need for the KCC to approve deregulated G&T rates to wholesale customers above January 1, 1998 levels protect the public interest? In the *Hill City* case, KCC staff alleged discriminatory pricing on the part of Sunflower

—an issue identified as a potential problem in Mr. Hendrix's testimony with respect to deregulated G&Ts, in general. Arguably, if there is no KCC oversight of wholesale power contracts, G&Ts would tend to favor their member customers at the expense of their nonmember customers and the latter could become captive. This is obviously a concern shared by KIOGA, as reflected in Mr. Schnacke's testimony. Mr. Hendrix's point was that the rates would not have to exceed the January 1998 level for Sunflower to have this type of pricing flexibility.

To what extent is public interest protected by the governing structure of electric cooperatives? In the *Hill City* case, Sunflower raised the issue that the Prairie Land substation was constructed by funds approved by the Prairie Land Board of Directors, a board duly elected by the consumers who are funding the substation. Sunflower's view was that KCC is not statutorily authorized to make management decisions. Testimony by Mr. Miller, Prairie Land, emphasized that local control, shared with other member owners, protects the interest of the members served. However, the counter-argument is that removal of KCC jurisdiction over wholesale power contracts could have adverse effects on nonmember customers, such as Midwest's customers in the *Hill City* case. In the proposed amendment to S.B. 589, the only way rate changes could be subject to investigation of the KCC is in response to a petition of at least three of the members of a G&T. However, testimony in opposition to the bill alleges that the most likely customers to face rate discrimination would be nonmembers who might have no affordable recourse.

These policy issues are very complex. From the electric cooperatives' perspective, as reflected in testimony to the Committee in support of S.B. 589, KCC regulation has: hampered cooperatives from entering into agreements quickly; caused them to lose moneys and forgo profitable opportunities; impeded cooperatives from responding effectively to large customers that could switch to alternate fuel sources; and limited the G&Ts' options to reduce their debt to RUS. In addition, from the cooperatives' perspective, regulatory assessments are costly. For example, Mr. Watkins claimed that total state regulatory costs have totaled more than \$4 million. Finally, spokespersons for electric cooperatives have expressed concern that KCC regulation places them in an unfavorable competitive position with the advent of electric industry restructuring. From the perspectives of Commission staff, the Citizens Utility Ratepayers Board, and other parties that might be adversely affected by S.B. 589, there could be inadequate protection for certain electricity consumers if the bill were enacted.

To conclude, the Senate Utilities Committee is presented with a set of policy issues that, from the perspective of certain electric cooperatives and municipalities, has not been resolved satisfactorily by the KCC. Certainly, there are precedents for the Legislature to act when it determines that the KCC has not responded in either a timely or an acceptable manner. One need only recall the TeleKansas legislation, the 1996 Kansas Telecommunications Act, and, most recently, the gas gathering legislation enacted last year. However, there are definitely potential winners and losers in any regulatory restructuring scheme and the deregulation proposal in S.B. 589 is probably no different!

Attach. 3

Sho-Me State Generating Co.

Customer Hot-Line
1-800-UON HOLD

Willie Wiredhand
RR #1 Box 000
Harper, Kansas 67058

Account No.

Electric Energy Usage for May, 2001

Meter Readings	Present	Previous	Kwh Used
_____	_____	_____	_____

Cost of Service Charges

Energy	_____
Firming	_____
Reserves	_____
Dispatch	_____
Peak Use Surcharge	_____
TOTAL AMOUNT DUE	=====

Payment in full is due upon receipt. Credit terms or payment assistance are not available from Sho-Me Generating Company.

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**COTTONWOOD
ELECTRIC COOPERATIVE**

Serving Rural Kansas since 1939



Distribution Charges

Bronze Plan Line Service _____

*Our records indicate that your
metering service is contracted
to Makin' Money Metering, Inc.*

Public Services

Low Income Assistance _____

Energy Efficiency Fund _____

Ancillary Services

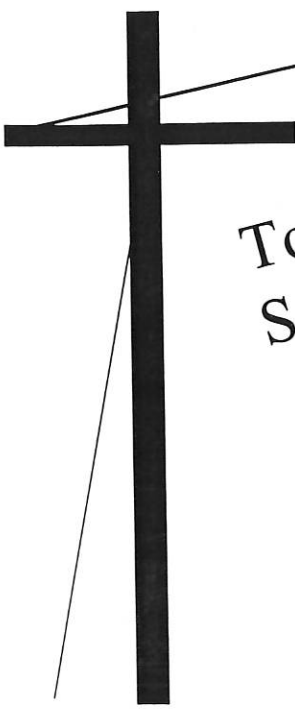
Security Monitoring _____

Internet Access _____

Direct TV _____

Service For: Willie Wiredhand
RR #1 Box 000
Harper, Kansas 67058

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**Topeka Electric Transmission
Services Company**

Willie Wiredhand
RR #1 Box 000
Harper, Kansas 67058

Transmission Service -- May, 2001

Transmission Service for Sho-Me Generating Company

From Hannibal, Missouri to K.C., Missouri

From K.C., Missouri to Topeka, Kansas

From Topeka, Kansas to Wichita, Kansas

From Wichita, Kansas to Harper, Kansas

Competitive Transition Fee
Line Maintenance Surcharge

Total Amount Due

3-3

MAKIN' MONEY METERING, INC.

Meter Installation _____
Meter Maintenance _____
Meter Reading _____
Billing Fees _____
Administrative Costs _____
Sales Tax _____
Franchise Fees _____
Regulatory Expenses _____

Total Due Upon Receipt _____

Service For:
Willie Wiredhand
RR #1 Box 000
Harper, Kansas 67058



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Copied for Consumer Guide from the Division of Public Utilities & Carriers
 and Public Utilities Commission
 Produced by Advertising Ventures Inc. d.b.s. AdVentures, Providence, Rhode
 Island

AMT DUE \$73.14
SERVICE ADDRESS
 280 MELROSE ST PROVIDENCE RI

ACCTNO. 12345...
SERVICE PERIOD DEC 10 TO JAN 13 1998 34 DAYS
METER PRESENT
READING DATE JAN 11 1998
TYPE OF METER READING ACTUAL
METER NUMBER 23412423 RATE A16
KWH 800

BILL DATE JAN 14 1998
DELIVERY SERVICE
 NARRAGANSETT
 RATE: BASIC

NEXT METER READING DATE

FEBRUARY 11

		<u>CUSTOMER CHARGE</u>			
	TOTAL	*DISTRIBUTION CHARGE	.03625 X	800 KWH=	29.00
	MONTH KWH	TRANSMISSION CHARGE	.00436 X	800 KWH=	3.49
		TRANSITION CHARGE	.02800 X	800 KWH=	22.40
J 98	800	CONSERVATION CHARGE	.00230 X	800 KWH=	1.84
D 97	767	RATE REFUND CREDIT	- .02610 X	800 KWH=	-20.88
N	596	TOTAL DELIVERY SERVICE			\$ 38.39
O	746				
S	580	<u>SUPPLIER SERVICES - INTERIM POWER SERVICE:</u>			
A	468	* ENERGY CHARGE			31.82
J	680	TOTAL ENERGY CHARGE			\$ 31.82
J	580				
M	588	GROSS EARNINGS TAX			2.93
A	716				
M	713				
F	830	TOTAL CURRENT BALANCE			\$ 73.14
J 97	757	TOTAL ACCOUNT BALANCE			\$ 73.14

* THIS CHARGE WAS DERIVED BY APPLYING NEW RATES TO JANUARY USAGE AND OLD RATES TO DECEMBER USAGE.

THIS BILL CONTAINS A ONE-TIME RATE REFUND CREDIT OF 2.610 CENTS PER KWH PURSUANT TO AN ORDER OF THE PUBLIC UTILITIES COMMISSION. THE REFUND APPLIES ONLY IN JANUARY AND RESULTS IN A MUCH LOWER BILL THAN NORMAL. YOUR NEXT BILL WILL NOT CONTAIN THIS REFUND CREDIT AND, FOR THAT REASON, WILL LIKELY BE HIGHER THAN THIS BILL.

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Attach. 5

Narragansett Electric
A company
4145 QUAKER LANE N KINGSTOWN RI 02852-3654

IF YOU HAVE ANY QUESTIONS ABOUT THIS BILL, CALL

1-800-264-9900

OR E-MAIL US VIA THE INTERNET: ELECSERV@NEESNET.COM

SERVICE ADDRESS

549637115534000

Amount Now Due

\$109.94

Account Number

SERVICE PERIOD
NOV 21 TO DEC 27 1997 36 DAYS

TYPE OF METER READING
ACTUAL

Bill Date

JAN 02 1998

METER NUMBER	RATE	METER READING		KWH USAGE
		PRESENT	PREVIOUS	
020379908	A19	93129	92192	937

COST OF ELECTRICITY WAS CALCULATED AS FOLLOWS:
RATE: RESIDENTIAL WATER HEATER CONTROL RATES A-19

NEXT METER READING DATE
JANUARY 27

MONTH	TOTAL KWH
D 97	937
N	596
O	525
S	616
A	646
Y	692
M	844
H	586
A	653
M	526
J	859
J	637
D	707

PREVIOUS BALANCE	\$	148.27
PAYMENT-THANK YOU 12/08/97		-72.60
PAYMENT-THANK YOU 12/08/97		-75.67
BALANCE FORWARD		.00

DELIVERY SERVICES:

CUSTOMER CHARGE				
DISTRIBUTION CHARGE	.03486 X	937 KWH=		2.52
TRANSMISSION CHARGE	.00387 X	937 KWH=		32.66
TRANSITION CHARGE	.02800 X	937 KWH=		3.63
CONSERVATION CHARGE	.00230 X	937 KWH=		26.24
PPCA RECONCILIATION	-.00023 X	937 KWH=		2.16
WTR HTR CONTROL CR	-.00661 X	937 KWH=		-.22
WTR HTR RENTAL CHG		750 KWH=		-4.96
WTR HTR RENT TAX	6.50 X	7.00%=		6.50
DELIVERY SERVICES BALANCE				\$ 68.99

SUPPLIER SERVICES:

*ENERGY CHARGE	.02623 X	937 KWH=		24.58
FUEL ADJUSTMENT CHARGE	.01307 X	937 KWH=		12.25
TOTAL ENERGY CHARGE	.03930			\$ 36.83

GROSS EARNINGS TAX				4.12
TOTAL CURRENT BALANCE			\$	109.94
TOTAL ACCOUNT BALANCE			\$	109.94

* INCLUDES PPCA OF \$.00086.

WATER CHARGES ARE THE SAME FOR ALL CUSTOMERS

Senate Utilities
2-23-98
5-1

Attach. 6

UNBUNDLED OPTION 1

M	50	1\16	2\12	32	11086	9841	1	1,245	59.88
W	01	1\16	2\12	32	1637	1632		5	9.40
G	20	1\16	2\12	32	385	375	1	10	40.00
TRANS. & DIST. SVC CHARGE									40.70
TRANSFERS TO CITY GENERAL FUND									9.73
EL ENERGY COST ADJ (ECA) .00770-									9.59-
WATER BASIC CHARGE									2.90
GAS BASIC CHARGE									2.75
SEWER\SI RS WIN IS									16.60
REFUSE\RECYCLE RI RS W									7.33
LANDFILL DISPOSAL CHARGE									3.16
STORM DRAIN CHARGE									1.00
GAS PURCHASED ADJ (PGA) .01500-									.15-
WINFIELD CITY TAX									1.38
BUDGET PAYMENT AMOUNT									200.00
CURRENT AMOUNT DUE BEFORE 4:00 PM 2\23\98									147.02
BALANCE FORWARD									263.69-
BUDGET PAYMENT AMOUNT DUE									200.00

*Senate Utilities
2-23-98
6-1*

UNBUNDLED OPTION 2

III	50	1\16	2\12	32	11086	9841	1	1,245	59.88
III	01	1\16	2\12	32	1637	1632		5	9.42
III	20	1\16	2\12	32	385	375	1	10	40.00
									DISTRIBUTION SVC CHARGE
									40.70
									TRANSMISSION SVC CHARGE
									0.00
									COMPETITIVE TRANSITIONAL CHARGE
									0.00
									UNIVERSAL SVC CHARGE
									0.00
									TRANSITIONAL TAXES
									0.00
									OTHER TAXES
									0.00
									TRANSFERS TO CITY GENERAL FUND
									3.73
									EL ENERGY COST ADJ (ECA) .00770-
									9.59-
									WATER BASIC CHARGE
									2.90
									GAS BASIC CHARGE
									2.75
									SEWER\SI RS WIN IS
									16.60
									REFUSE\RECYCLE R1 RS W
									7.33
									LANDFILL DISPOSAL CHARGE
									3.16
									STORM DRAIN CHARGE
									1.00
									GAS PURCHASED ADJ (PGA) .01500-
									15-
									WINFIELD CITY TAX
									1.38
									BUDGET PAYMENT AMOUNT
									200.00
									CURRENT AMOUNT DUE BEFORE 4:00 PM 2\23\98
									167.02
									BALANCE FORWARD
									263.69-
									BUDGET PAYMENT AMOUNT DUE
									200.00

Attach. 7

THE CITY OF  WINFIELD

CITY HALL
200 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5500
FAX (316) 221-5590

OPERATIONS CENTER
2701 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5600
FAX (316) 221-5591

February 18, 1998

Senator Pat Ranson
Chair, Senate Utility Committee

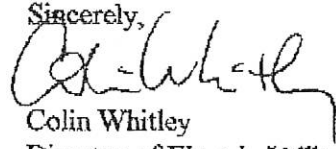
RE: Electric Rate Unbundling

Dear Senator Ranson:

I understand that the Senate Utility Committee is currently considering unbundling the electric rates for all utilities in the State of Kansas. The City of Winfield recently completed a study to unbundle our electric costs and is currently considering the implications that unbundling our rates will have on our billing system.

Winfield utilizes a single page bill which folds and acts as its own envelope. Many of the municipal power systems in the state use similar post card bills. Our current bill is full, therefore, adding even one line due to unbundling will require new software, printing, folding and mailing equipment estimated at a cost of \$25,000.00

I have included a sample bill for your committee to use as an example. As you can see, space on the bill is limited. Hopefully, this example will assist your committee's discussion.

Sincerely,

Colin Whitley
Director of Electric Utility

encl

cc: Louis Stroup

CW/kw

4 sheets total
Senate Utilities
2-23-98
7-1



THE CITY OF WINFIELD

UTILITY BILLING OFFICE
 P.O. BOX 646 • 200 E. 9TH
 WINFIELD, KANSAS 67156-0646
 PHONE: (316) 221-5500

NEIL REEVES

BALANCE FORWARD	263.69CR	BILLING DATE	2/01/98
NET AMOUNT DUE	200.00	CUSTOMER NUMBER	
GROSS AMOUNT DUE	96.67CR	AMOUNT PAID	
		BUDGET	

***** COPY *****
 MAKE PLANS NOW TO JOIN US IN
 CELEBRATING OUR 125TH YEAR
 DURING KANZA DAYS IN MAY

Name: _____
 Service Location: _____
 Customer No.: _____ Bill Date: 2/01/98
 SERVICE SUBJECT TO DISCONTINUANCE 30 DAYS FOLLOWING BILLING DATE

IF YOU HAVE ANY QUESTIONS REGARDING THIS BILL, PLEASE CONTACT US AT (316) 221-5500 OR COME BY OUR OFFICE AT 200 E. 9th

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS	PREVIOUS BALANCE	263.69
	PAYMENTS	.00
	BALANCE FORWARD	263.69

DETACH AT PERFORATIONS AND RETURN THIS PORTION WITH PAYMENT

TYPE SVC	RATE CODE	SERVICE PERIOD		BILLING DAYS	METER READINGS		MULTIPLIER	USAGE	AMOUNT
		FROM	TO		PRESENT	PREVIOUS			
E	50	1/16	2/12	32	11086	9841			
W	01	1/16	2/12	32	1637	1632	1	1,245	89.24
G	20	1/16	2/12	32	385	375	1	5	9.40
								10	40.00
ELECTRIC BASIC CHARGE									3.00
WATER BASIC CHARGE									2.90
GAS BASIC CHARGE									2.75
SEWER/S1 RS WIN IS									16.60
REFUSE/RECYCLE R1 RS									7.33
LANDFILL DISPOSAL FEES									3.16
STORM DRAIN CHARGE									1.00
EL ENERGY COST ADJ (ECA) .00770-									9.59
GAS PURCHASED ADJ (PGA) .01500-									.15
WINFIELD CITY TAX									1.38
BUDGET PAYMENT AMOUNT									200.00
CURRENT AMOUNT DUE BEFORE 4:00 P.M. 2/23/98									187.02
BALANCE FORWARD									263.69
BUDGET PAYMENT AMOUNT DUE									200.00

UTILITY HISTORY		ELECTRIC		WATER		GAS	
SERVICE TO	NO. OF DAYS	KWH USAGE	AVG. KWH/DAY	GAL USAGE	AVG. GAL/DAY	CF USAGE	AVG. CF/DAY
2/13/97	28	1178	42	4000	143	8000	286
3/13/97	29	1132	40	3000	107	5000	179
4/17/97	36	1444	41	5000	143	4000	114
5/14/97	27	1013	38	4000	148	2000	74
6/13/97	30	1349	45	31000	1033	1000	33
7/17/97	34	2118	62	5000	147	1000	29
8/15/97	29	1814	63	10000	345	1000	34
9/16/97	32	1951	61	5000	156	1000	31
10/16/97	30	1408	47	4000	133	2000	67
11/13/97	28	1080	39	3000	107	3000	107
12/15/97	32	1114	35	4000	125	8000	250
1/16/98	32	1245	39	5000	156	10000	313
1/16/98	32	1245	39	5000	156	10000	313

USE THIS RECORD TO CHECK YOUR ENERGY CONSERVATION EFFORT

SEE REVERSE SIDE FOR OPENING INSTRUCTIONS



THE CITY OF WINFIELD
 P. O. Box 646 • 200 E. 9th
 WINFIELD, KANSAS 67156-0646

UTILITY BILL

ZIP + 4 PRESORT
 FIRST CLASS MAIL
 U.S. POSTAGE PAID
 WINFIELD, KANSAS
 PERMIT 181

FORWARDING AND ADDRESS CORRECTION REQUESTED

FOWLER AVE
 WINFIELD KS 67156-1904

UNBUNDLED OPTION 1

E	50	1\16	2\12	32	11086	9841	1	1,245	59.88
W	01	1\16	2\12	32	1637	1632		5	9.40
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GAS BASIC CHARGE									2.75
SEWER\S1 RS WIN IS									16.60
REFUSE\RECYCLE R1 RS W									7.33
LANDFILL DISPOSAL CHARGE									3.14
STORM DRAIN CHARGE									1.00
GAS PURCHASED ADJ (PGA) .01500-									.15-
WINFIELD CITY TAX									1.30
BUDGET PAYMENT AMOUNT									200.00
CURRENT AMOUNT DUE BEFORE 4:00 PM 2\23\98									167.00
BALANCE FORWARD									263.69-
BUDGET PAYMENT AMOUNT DUE									200.00

UNBUNDLED OPTION 2

E	50	1\16	2\12	32	11086	9841	1	1,245	59.88
N	01	1\16	2\12	32	1637	1632		5	9.40
G	20	1\16	2\12	32	385	375	1	10	40.00
									40.70
DISTRIBUTION SVC CHARGE									0.00
TRANSMISSION SVC CHARGE									0.00
COMPETITIVE TRANSITIONAL CHARGE									0.00
UNIVERSAL SVC CHARGE									0.00
TRANSITIONAL TAXES									0.00
OTHER TAXES									0.00
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EL ENERGY COST ADJ (ECA) .00770-									9.59-
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GAS BASIC CHARGE									2.75
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REFUSE/RECYCLE R1 RS W									7.33
LANDFILL DISPOSAL CHARGE									3.16
STORM DRAIN CHARGE									1.00
GAS PURCHASED ADJ (PGA) .01500-									.15-
WINFIELD CITY TAX									1.38
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BALANCE FORWARD									263.69-
BUDGET PAYMENT AMOUNT DUE									200.00