

Approved: February 1, 2000

Date

*Carl D. Holmes*

## MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:10 a.m. on January 18, 2000 in Room 522-S of the Capitol.

All members were present except: Rep. Tom Klein

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

Conferees appearing before the committee: Larry Holloway, Acting Utility Division Director,  
Kansas Corporation Commission

Others attending: See Attached Guest List

Chairman Holmes requested approval of the minutes of the January 11, 2000 meeting. Rep. Sloan moved and Rep. Alldritt seconded that the minutes be approved with correction. Motion carried.

Chairman Holmes introduced the Kansas Corporation Commission commissioners: John Wine, Chairman; Cynthia Claus and Brian Moline. Chairman Wine presented a brief personal background as introduction to the committee. He also spoke to the differences in dealing with co-workers, constituents, administration and staff on issues that may or may not be proprietary.

Commissioner Cynthia Claus also provided a short personal history and information on her two years as a commissioner. Commissioner Brian Moline shared his personal history and more than one year commission experience.

Chairman Holmes introduced Jeff Wagaman, Executive Director of the Kansas Corporation Commission.

Chairman Holmes welcomed Larry Holloway, Acting Utility Division Director of the Kansas Corporation Commission. Mr. Holloway briefed the committee on the status of the electric and gas dockets. (Attachments 1, 2 and 3) He also provided information on data supplied by the Department of Energy, Energy Information Agency entitled 'Kansas Electric Utility Information' (Attachment 4). Also distributed were three maps; Kansas Average Electric Rates Cost per KWh (Attachment 5); Electric Certified Areas, Transmission Lines and Power Plants in Kansas (Attachment 6); and Certified Areas of Natural Gas Public Utilities in Kansas (Attachment 7).

Mr. Holloway stated that the KCC had closed approximately 80% of the dockets that were opened in calendar year 1999 and numerous other dockets were in the process of having orders written or otherwise concluded. He highlighted several of the dockets including the Western Resources/KCPL merger application and a general investigation docket on the Southwest Power Pool overall generation capacity.

Mr. Holloway then responded to questions from Rep. Alldritt, Rep. Krehbiel, Rep. Sloan, Rep. Myers, Rep. McClure, Rep. Dahl, Rep. Loyd and Rep. Holmes.

Meeting was adjourned at 10:18 a.m.

Next meeting will be January 19, 2000 at 9:00 a.m.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 18, 2000

NAME	REPRESENTING
JC Long	UtiliCorp United
John Wine	K.C.C.
Doug Lawrence	KEC
Joe Dick	BPU KCK
Brian Molise	KCC
Harry H. Harway	KCC
George Welch	Barbee Assoc.
John D. Penigon	SITA
Lester Murphy	KEC
Bruce Janice	BOEING
Joey Behr	Intern for Rep. Klein
Dan Perez	Kaw Valley USD 321
Aeslie Kaufman	Ks Farm Bureau
Doug Smith	SITA
JAMES LUDWIG	Western Resources



**BEFORE THE HOUSE UTILITIES COMMITTEE  
PRESENTATION OF THE  
KANSAS CORPORATION COMMISSION  
JANUARY 18, 2000  
STATUS REPORT ON KCC UTILITY DOCKETS**

Thank you Mr. Chairman and members of the Committee. I'm Larry Holloway, Acting Utility Division Director with the Kansas Corporation Commission. I appreciate the opportunity to be here today. This morning I will provide an update of some of the more important dockets the Commission has worked on this past year. As indicated in my report some of these are substantially complete while other dockets are active and in the process of investigation by Staff or determination by the Commission. Following my brief review of this report I will provide some natural gas and electric maps and an electric report, which I will briefly describe.

Tomorrow Janette Luhering, our Chief of Telecommunications will be providing a more detailed review of Telecommunications Dockets and for that reason I plan to briefly discuss the other dockets in the report and will be happy to answer any questions you may have.

Its been a busy year at the KCC. In addition to completing many dockets from the previous calendar year, the KCC closed approximately 80% of the dockets opened in calendar year 1999, and numerous other dockets are in the process of having orders written or otherwise concluded. If you remember the complete calendar of open utility dockets you received last year, I am sure you will appreciate that the calendar Tom has handed you today is much smaller, even though a record of over 1,100 dockets were opened in 1999. In addition to the many issues addressed in Telecommunications, the KCC also worked on multiple major electric and gas dockets. While the written report has a status summary of these major dockets, I will briefly discuss some of them now and attempt to answer any questions you may have.

- ◆ **Docket No. 97-WSRE-676-MER** The Western Resources and KCPL merger application
  - Elements of the Commission's Order approving the merger:
    - 4 year rate moratorium
    - Rate case filing following end of rate moratorium
    - 35 year straight line amortization for the Kansas jurisdictional portion of \$179.45 million of the acquisition premium following moratorium ~ about \$3.8 million a year
    - Maintenance of quality of service standards
    - Merger agreement terminated by KCPL on January 3, 2000.
  
- ◆ **Docket No. 99-GIME-321-GIE** Investigation into the adequacy of future Kansas generation capacity
  - Investigation showed accuracy of Southwest Power Pool studies in predicting overall generation capacity

*HOUSE UTILITIES*

DATE: 1-18-00

ATTACHMENT 1

- Commission ordered biannual reporting and investigation of public appeals for conservation

◆ **Addition of Generation Capacity in Kansas**

- Docket No. 99-WSRE-381-EGF (Western Resources) 148 MW of combustion turbines (CTs) in 2000  
150 MW of CTs in 2001
- Docket No. 99-KCPE-445-EGF (Kansas City Power & Light) 140 MW of CTs in 2000  
140 MW of combined cycle repowering in 2000
- Docket No. 99-EPDE-416-EGF (Empire District Electric) 350 MW of combined cycle

◆ **Docket No. 99-SWPE-764-MIS** SPS 345 kV transmission line

- 153 miles of length in Kansas
- Lamar, Colorado to Holcomb Energy Center to Amarillo, Texas
- Includes DC intertie to the Western Grid
- Commission approval included provisions to allow some flexibility in working with landowners

◆ **Docket No. 99-WPEE-818-RTS** Westplains Energy rate case

- Initiated by the Commission in response to Staff investigation that showed WPE might be overearning
- Hearing early December 1999
- Commission Order this week

◆ **Docket No. 00-GIME-235-GIE** Investigation into public appeals for conservation

- Investigation will address the Commission's role when a utility issues an appeal to conserve electric usage
- Investigation will address whether the Commission should adopt requirements or guidelines to address public appeals

◆ **Docket No. 99-GIMG-068-GIG** Ad Valorem tax refunds for interstate pipeline direct sales customers

- Interstate pipeline direct sales customers
- Interstate pipelines are disputing KCC's jurisdiction in the Court of Appeals

◆ **Docket No. 99-GIMG-538-GIG** Commission investigation into extending benefits of gas industry restructuring to retail customers

- The Commission investigated whether it should allow all retail customers to directly

- purchase gas, or if LDC gas purchasing practices should be changed
- The Commission determined that at this time it would be most productive to develop changes in LDC purchase practices
- ◆ **Docket No. <sup>00</sup>99-KGSG-162-PGA**      KGS application to assign contracts to affiliate
- Application would align KGS gas purchase contracts by assigning to an affiliate
- ◆ **Docket No. 00-UTG-336-RTS**      rate application by Utilicorp (Peoples and Kansas Public Service)
- Proposal to raise rates by ~ \$6 million
- Hearing in May, 2000
- ◆ **Docket No. 00-GIMG-425-GIG**      Investigation into performance based ratemaking for LDC's
- Primary focus will be LDC purchasing practices
- Selection of appropriate gas price index

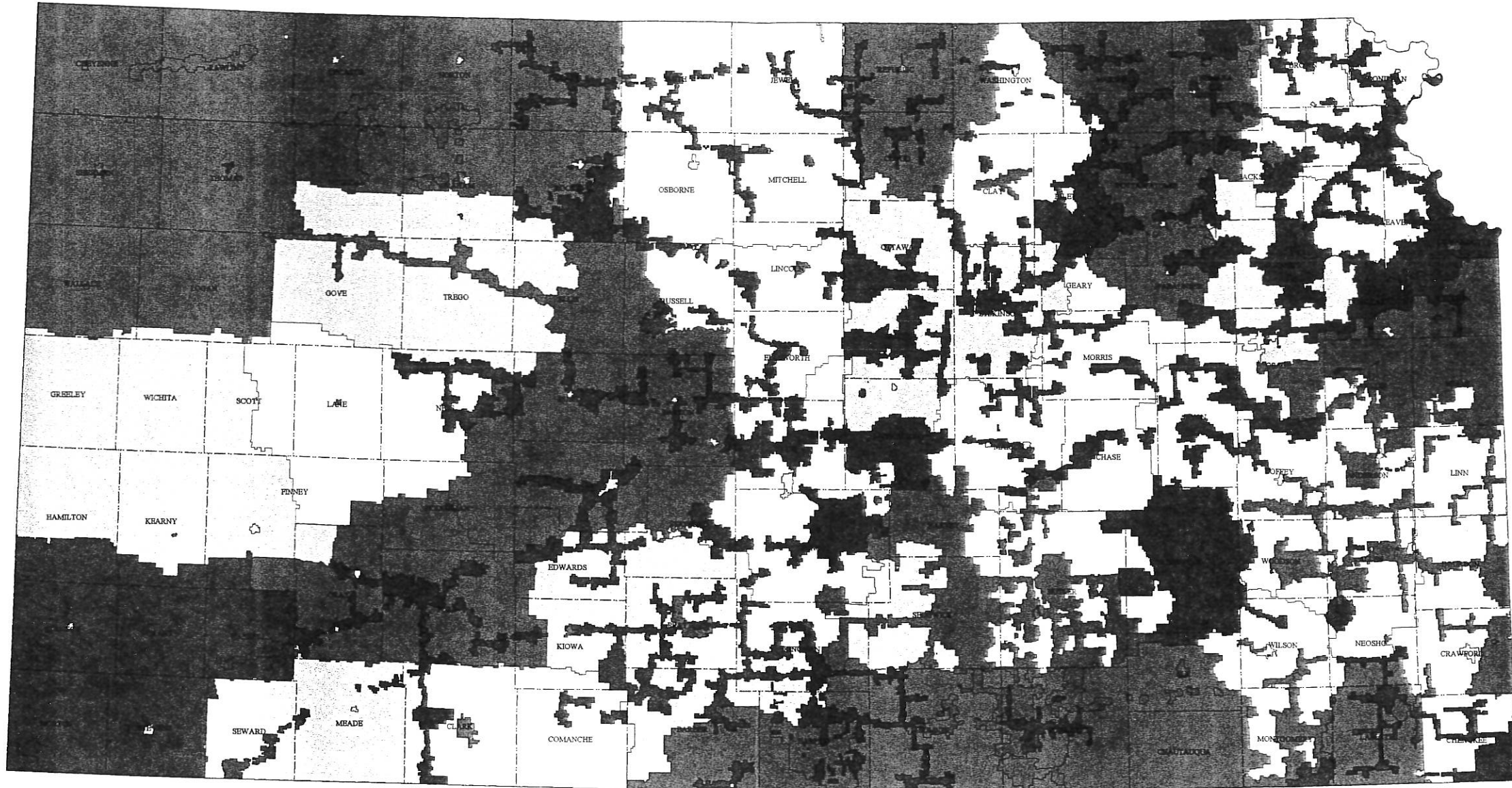
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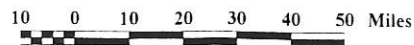


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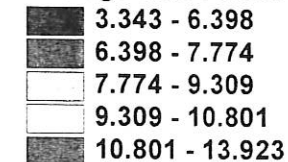
# Kansas Average Electric Rates Cost per KWh



Region	Residential	Commercial	Industrial	All sectors
US Average	6.26	7.41	4.48	6.74
Kansas Average	7.65	6.34	4.46	6.28



**Average Rate / KWh**



Data from Department of Energy,  
Energy Information Agency  
Electric Sales and Revenue, 1998

Kansas Corporation Commission  
Information Resources GIS Support  
January 2000

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