

Approved: March 6, 2001

Carl D. Holmes
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:14 a.m. on February 14, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Tom Sloan

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

Conferees appearing before the committee: Rep. Dale Swenson
Ed Jaskinia, Associated Landlords of Kansas
Burton Crawford, Kansas City Power & Light
Diana Thurman, Western Resources
Mike Murray, Sprint
Jon Miles, Kansas Electric Cooperatives
Kim Gulley, Kansas League of Municipalities
Larry Holloway, Kansas Corporation Commission
Don Hellwig, Kansas Electric Cooperatives
Bruce Graham, Kansas Electric Power Cooperatives
Dick Rohlf, Western Resources

Others attending: See Attached List

HB 2318 - Providing for notice to landlord when utility service will be discontinued

Rep. Dale Swenson (R-97th District), sponsor of the bill, spoke to the committee about the request made by a constituent for this proposed legislation (Attachment 1). Rep. Swenson stated that this was a simple landowners protection bill and that knowing, in advance, of an interruption of service would be very helpful to the property owner. Rep. Swenson responded to questions from the committee.

Ed Jaskinia, appearing on behalf of the Associated Landlords of Kansas, spoke in support of **HB 2318**. Mr. Jaskinia said that the intent of the bill is good, and though it does need some work, would be valuable to the property owner.

Burton Crawford, Manager of Deregulation Issues for the Kansas City Power & Light Company (KCPL), spoke in opposition to **HB 2318** (Attachment 2). Mr. Crawford stated that KCPL had two concerns with the bill; first, it places additional restrictions on the disconnection of utility service and, second, it violates consumer privacy laws.

Diana Thurman, Senior Manager of Customer Relations at Western Resources, testified against **HB 2318** (Attachment 3). Ms. Thurman stated that this proposed legislation is in contrast to their current disconnection policy and they are concerned about the rights of the customer and their account confidentiality.

Mike Murray, Director of Governmental Affairs for Sprint, stated Sprint opposes **HB 2318** (Attachment 4). Mr. Murray addressed Section 222 of the Federal Telecommunications Act of 1996 that prohibits disclosure without written authorization by the customer. Mr. Murray explained that this section prohibits Sprint from disclosing account information to anyone other than the responsible party.

Jon Miles, Vice President of Governmental and Technical Service with Kansas Electric Cooperatives, appeared in opposition to **HB 2318** (Attachment 5). Mr. Miles explained that, in the case of a rural electric cooperative, a consumer must sign a membership agreement that places an obligation on the utility to provide service and does not make the landlord a party to the agreement. Disconnecting the service at the landlord's request would violate the agreement.

Kim Gulley, Director of Policy Development & Communications for the League of Kansas Municipalities, addressed the committee as an opponent of **HB 2318** (Attachment 6). Ms. Gulley stated they believed it would result in inconsistent procedures for handling delinquent utility accounts and inappropriately puts the utility provider in the middle of the landlord/tenant relationship.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:14 a.m. on February 14, 2001.

Daniel Hawkins, Agency Owner for the National Farmers Union, provided a written statement in support of **HB 2318 (Attachment 7)**.

Steve Goevert, a Wichita property owner, provided a written statement in support of **HB 2318 (Attachment 8)**.

The conferees responded to questions from the committee.

HB 2345 - Natural gas utilities required to itemize bills ("bill unbundling")

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, testified in opposition to **HB 2345 (Attachment 9)**. Mr. Holloway explained that the information mandated by this bill may actually confuse customers and the surcharge may increase their bills, even though it is a well meaning attempt to help customers understand why their gas bills have increased. Mr. Holloway responded to questions from the committee.

HB 2267 - Generation of electricity by schools; contracts for parallel generation

Burton Crawford, Manager of Deregulation Issues for the Kansas City Power & Light Company, appeared in opposition of **HB 2267 (Attachment 10)**. Mr. Crawford explained the concerns they have with the bill are: 1) it requires a utility to purchase generation at prices exceeding their avoided costs and 2) it touches on electric rate design issues best left to the KCC to decide. He also stated that this bill violates the Public Utility Regulatory Policies Act of 1978 (PURPA).

Mr. Don Hellwig, General Manager of the DS&O Rural Electric Cooperative Association, spoke as an opponent to **HB 2267 (Attachment 11)**. Mr. Hellwig addressed the concerns of the financial impact these facilities would have on his cooperative's customer owners. He stated that this bill would require Kansas electric ratepayers to subsidize these facilities through higher rates.

Bruce Graham, Vice President of Member Services and External Affairs for the Kansas Electric Power Cooperative (KEPCo), stated they could not support the mandate proposed in **HB 2267 (Attachment 12)**. Mr. Graham stated that, although KEPCo supports the current discussion regarding energy policies, these policies must be reasonable and equitable. This bill would require their customers to subsidize the true cost of generation and would result in higher rates for its other customers.

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, testified in a neutral position on **HB 2267 (Attachment 13)**. Mr. Holloway provided an illustrative example of how the ratepayers would be funding a subsidy to both the school and the wind generator vendor.

Dick Rohlf, Senior Manager of Regulatory Requirements for Western Resources, addressed the committee as an opponent to **HB 2267 (Attachment 14)**. Mr. Rohlf stated that if the legislature determines that school wind energy projects should be subsidized, then the subsidy should be directly funded, not indirectly by the school's electric utility provider.

The conferees responded to questions from the committee. Rep. McClure distributed information from the Spirit Lake Community School District in Iowa that outlined their wind energy usage since July 1993 (**Attachment 15**) and the hearing was closed.

The meeting adjourned at 10:54 a.m.

Next meeting is Thursday, February 15, 2001.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 14, 2001

NAME	REPRESENTING
Bruce Graham	KEPCO
Joe Dick	KCK BPU
Jack Glaves	P H Duke - KCM
BURTON CRAWFORD	KCPCL
Larry Hallway	KCC
Les Murphy	KEC
Chip Miles	KEC
Don Hellweg	DSTA Rural Elect.
ED JASKINIA	THE ASSOCIATED LANDLORDS OF KS
Kim Gulley	LKM
Mike Murray	Sprint
Dee & Ralph	Western Resources.
Charles Reese	Midwest Energy
Nick Reese	AT&T
Sharon Sue Smith	KIMMIA
Denny Koch	SWB
J.C. Long	UCU
TOM DAM	KCC
Whitney Damron	KS Gas Service
Glenn Sears	Leadership Maechel County Class

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 14, 2001

NAME	REPRESENTING
Kuan Gates	Leadership Mitchell County
David Deubert	"
Doug McInay	NCRPC NCKCN.com Leadership Mitchell Co.
Doug Gerber	City of Beloit
Angie Behrner	Leadership Mitchell County
Pam Schneider	Leadership Mitchell County
Benie Bruns-Green	Leadership Mitchell County
Lynne Bodle	League of Women Voters (also landlord)
Sandy Braden	Hatch, Braden, Barber & Assoc.
Alfred E. Smith	Tipton, Kansas Leadership M.C.
Lisa Hake	Tipton, Ks. Leadership Mitchell Co.
A.J. Benson	Pittsburg, Ks Leg. Intern
Dan Haliman	W. Kes
Cynthia Sauer	KOPC

HOUSE OF
REPRESENTATIVES

REPRESENTATIVE, DISTRICT 97
STATE OF KANSAS
STATE CAPITOL—ROOM 556-N
TOPEKA, KANSAS 66612-1504
(785) 296-7500

COMMITTEE ASSIGNMENTS
BUSINESS, COMMERCE & LABOR
HEALTH & HUMAN SERVICES
JOINT COMMITTEE ON SPECIAL
CLAIMS AGAINST THE STATE
JUDICIARY



DALE A. SWENSON

Testimony H. B. 2318

February 14, 2001

House Utilities Committee

Thank you Mr. Chairman for the opportunity to appear before you today. I will be brief.

House Bill 2318 is a simple landowners protection bill. The bill establishes a mechanism for notifying property owners that a utility service on their rented or leased property is about to be disconnected. Costs of administering this notification list is offset by the property owners in section (d) of the bill.

Currently it is sometimes a total mystery to the property owner when a utility service on their rented property is disconnected.

Knowing in advance that a disconnect is about to occur may be very helpful to the homeowner. If for instance an electric disconnection were to occur in the middle of winter, bursting water pipes could cause considerable damage to the property.

This advance warning could help the homeowner in other instances as well. It may be that a tenant has plans to move out of the property without notifying the homeowner. A homeowner should at least have the luxury of knowing that his property has been vacated.

The constituent who requested this bill stated that he discovered his tenants without electricity after the fire department told him that the rental he was leasing had been burned as a result of the occupants using candles for light.

I respectfully request you give favorable consideration of House Bill 2318.

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DATE: 2-14-01

ATTACHMENT 1

**Testimony before the House Utilities Committee
In Opposition to House Bill No. 2318**

**Burton L. Crawford
Manager of Deregulation Issues
Kansas City Power & Light Company
February 14, 2001**

Chairman Holmes and Members of the Committee:

I am Burton Crawford, Manager of Deregulation Issues for Kansas City Power & Light Company and am appearing before you today in opposition of House Bill No. 2318 that provides for the notification of intent to disconnect utility service to property owners.

KCPL has two concerns with this bill, it:

- (1) Places additional restrictions on the disconnection of utility service
- (2) Violates consumer privacy law

Restrictions on Disconnection

The 30-day notification period is too long. Currently, KCPL is required by Kansas Corporation Commission rule to provide a 10-day notification prior to disconnection of service for non-payment. For some cases, this bill extends this period to 30 days. This restriction on disconnection would raise the costs associated with delinquent accounts, which would then ultimately be paid by other electric customers. The current 10-day notification period is a protection for the company and all customers.

The notification of a specific date, 30 days out, for disconnection is also problematic. During the period of time each year when the Cold Weather Rule is in effect (November 1 through March 31), customers are not disconnected for non-payment unless the weather forecast predicts temperatures above 35 degrees for the 48 hours following disconnection. It would be nearly impossible to predict 30 days ahead of time

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if weather conditions will allow disconnection on a specific date. If this bill were to move forward, some flexibility needs to be added as to the date of disconnection.

In addition to the problems of an extended notification period and an inflexible disconnect date, the bill does not distinguish between the different possible reasons for disconnection. We currently have the right to immediately disconnect service when a dangerous condition exists on a customer's premise or when there is a theft of service involved. As written, this bill still requires a 30-day notification. It also does not take into consideration normal disconnection of service. If a customer provides us with 1 day notice that they are moving and no longer need service, this bill requires us to notify the property owner 30 days prior to disconnection. Who pays the bill during the 30-day period? If this bill moves forward, it needs to be made clear the reasons for disconnection that apply.

Violation of Consumer Privacy Law

Currently, federal law prohibits us from disclosing account information to anyone other than the account holder. When requests are made for information on an account, we must obtain permission from the account holder prior to release of information. This bill would require us to notify a property owner of the account status of a tenant. We are prohibited by law from taking such action.

KCPL has a process in place where a property owner can request that service revert back to the property owner should a tenant leave. This process does not apply to situations where a tenant was disconnected for non-payment as we can not provide information concerning the account without tenant approval.

For these reasons, we ask that this committee not move this bill forward.

Thank you for your time. I would be happy to answer any questions that you have.

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Testimony
Before the
House Utilities Committee

By
Diana Thurman, Western Resources
February 14, 2001

Chairman Holmes and Members of the Committee.

My name is Diana Thurman, Senior Manager of Customer Relations at Western Resources.

Western Resources is opposed to House Bill 2318. While Western Resources understands that landlords need to protect their investments in property, House Bill 2318 would require that utility companies release private billing information, without the written consent of our customers. All utilities in Kansas have disconnection procedures approved by the KCC.

I want to provide you with our disconnection procedures for non-payment of utility bills.

- After approximately 30 days of consumption, a monthly utility bill is issued, the customer has another 23-28 days to make the payment.
- If no payment has been received, a 10 day notification is mailed requiring the customer to either make the payment or payment arrangements to avoid possible termination of the utility service.
- Three working days prior to the termination date, a courtesy collection call is attempted to the customer of record.
- The day of termination, the field representative makes an attempt to contact the customer at the home prior to termination of the service.

In addition, during the Cold Weather Rule Period (November 1 through March 31)

- No utility service will be disconnected when the temperature is forecasted to drop below 35 degrees Fahrenheit or to be in the mid 30's or colder within the next 48 hour period.
- During the first 24 hours of the 48 hour period, the company attempts to contact the customer by telephone and make an attempt to contact the customer of record on the day prior to disconnection. If no contact is made with the customer of record, a message is left on the door the day prior to disconnection.

The proposed legislation in contrast to our current disconnection policy, would require the utility to notify the landlord 30 days in advance of a possible disconnection. This would require the utility to add 20 days to the existing 10 day notification.

As I mentioned earlier in my testimony, Western Resources is concerned with the rights of the customer. Transactions between the customer and Western Resources should remain confidential. Western Resources only releases information regarding a customer's account to the customer, the KCC and at the written consent of the customer. This bill would require the utility to notify landlords that a tenant is about to be disconnected.

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Let me give you an example of how House Bill 2318 would impact individuals. Many of you lease rooms or apartments in Topeka during the legislative session. If for some reason you did not pay your KPL electric bill on time, KPL would be required to notify your landlord that a Disconnect Notice was issued. This could put you in an uncomfortable position with that landlord by providing information that you did not want them to have.

In summary, Western Resources would suggest the landlord consider as options in lieu of HB 2318:

1. "Revert to Owner", this service provides that the landlord will be responsible for payments of utility usage after the tenant has contacted the company to discontinue the service in their name. This allows the company to read the meter to discontinue the service in the tenant's name and initiate the service in the landlords name without any interruption of service.
2. 3rd Party Notification, at the time of the lease signing, a 3rd party notification consent form could be signed by the tenant allowing the landlord to receive a copy of a 10 day disconnection notice indicating when an arrearage must be paid to avert discontinuation of the utility service.
3. The rent could be inclusive of the monthly utility bill, the utility service would remain in the landlord's name & becomes a part of the monthly lease charge.
4. Landlord may retain control of the utility service in their name. The bill is mailed to the landlord and then it can be forwarded to the tenant for reimbursement.
5. Charge a larger deposit at the time of the initial lease signing, the landlord could ask for a substantially larger deposit to cover potential damage costs.

As I've just explained, there are a number of ways that the landlords can protect themselves through both existing utility company programs and landlord initiated solutions.

Thank you Chairman Holmes and Committee Members, I'd be happy to stand for questions.



Before the House Utilities Committee
Wednesday, February 14, 2001
HB 2318

Mike Murray, Director of Governmental Affairs

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to comment on HB 2318 which would require a 30-day notification to a property owner of the intent to discontinue utility service to a tenant. Sprint opposes the bill.

Section 222 of Federal Telecommunications Act of 1996, prohibits such a disclosure without written authorization by the customer. It says "A telecommunications carrier shall disclose customer proprietary network information, upon affirmative written request by the customer to any person designated by the customer."

Sprint only discloses account information to the person listed as the responsible party on the account. In many cases, that does not even include the spouse of the responsible party, unless a request is made to add that person to the account.

Notwithstanding the Federal Act, there are a lot of "what if" scenarios when it comes to liability.

If the landlord used the information to assess the financial condition of the tenant and thus the landlord-tenant relationship was harmed, the tenant could come back and say we were at fault; that we libeled him or her by telling the landlord we were going to discontinue service, and thus damaged the tenant's reputation with the landlord.

If the landlord were to pass this information onto other parties, the libel claims could multiply geometrically.

And how do we know that whoever makes the written request for this information is the landlord? I expect there will have to be some sort of verification done at the County Register of Deeds office to make sure we are disclosing information to the correct person.

If a customer fails to pay their phone bill, receives a notice that service will be discontinued, makes a partial or full payment, or makes other payment arrangements, the 30-day notification becomes a moving target. If we have sent such a notice to a landlord announcing a termination which is not going to occur, we may have further liability.

Finally, if a tenant's telephone service is being discontinued, there are no assets of the property owner which are being placed in danger as a result.

We respectfully ask the Committee to reject HB 2318.

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TESTIMONY of JON K. MILES

House Utilities Committee

February 14, 2001

Comments of House Bill No. 2318

Good morning Mr. Chairman, members of the Committee. My name is Jon K. Miles. I am Vice President of Governmental and Technical Service with Kansas Electric Cooperatives, Inc. (KEC). KEC is the statewide association for 29 rural electric cooperatives and the state's two generation and transmission cooperatives.

I appreciate the opportunity to testify in opposition to House Bill No. 2318 for several reasons.

This bill appears to allow the property owner or landlord to make a request in writing for the disconnection of utility service while a tenant occupies leased or rented property.

In the case of a rural electric cooperative, a consumer must sign a membership agreement that places an obligation on the utility to provide service. The landlord is not a party to this agreement. A disconnection based solely on the landlord's request would violate the membership agreement.

This bill does not provide the details and qualifying circumstances for disconnection of service. It poses significant legal implications for a public utility by allowing discontinuance of service for reasons other than non-payment or an unsafe electrical condition. For example, how does this bill impact and coordinate with the regulatory requirements of the cold weather rule?

This legislation puts the utility in the middle of a landlord-tenant dispute when a landlord may already have rights to initiate an eviction proceedings. It appears that this would be a handy method

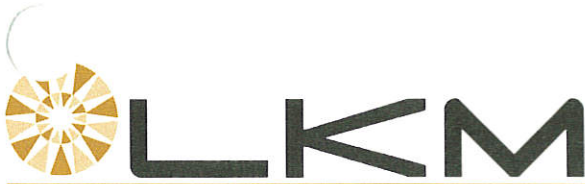
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ATTACHMENT 5

to evict a tenant without actually going through the eviction process and giving the tenant an opportunity to be heard.

Thank you.



League of Kansas Municipalities

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

To: House Utilities Committee
From: Kim Gulley, Director of Policy Development & Communications
Date: February 14, 2001
Re: Opposition to HB 2318

Thank you for allowing me to appear today on behalf of the League of Kansas Municipalities and our member cities. I appear today in opposition to HB 2318.

As you know, cities operate water, sewer, electric, and gas utilities. We believe that HB 2318 is an unnecessary mandate that raises several key concerns.

First, we believe it results in inconsistent procedures for handling delinquent utility accounts. Different account procedures would have to be established for those accounts where a landlord has requested the special type of notice required by the provisions of HB 2318.

Further, we believe that HB 2318 inappropriately puts the utility provider in the middle of the landlord/tenant relationship. It is the landlord's choice to allow the lessee of the property to establish their own utility accounts. A landlord could establish the utility accounts in his or her own name and have the lessee pay them directly to ensure that the account stays current. If a landlord decides that it is more convenient to have the lessees establish their own accounts, utility providers should not bear the burden for this convenience.

Establishing a statewide 30-day time frame for the notice would create conflict with many local ordinances and disconnect procedures. The time frames for providing notice and the time frames for disconnect are established in local ordinances and codes and vary from community to community, from utility to utility.

The current postage rate for one first-class mail, return receipt requested mailing is \$3.74. The annual \$3 fee authorized in the bill would not even cover *one* mailing concerning a specific property, much less the multiple notices that may be required by the bill in a given year. This means that in the case of city utilities, all other utility customers would be forced to subsidize this special notice requirement for certain landlords.

For these reasons, we respectfully request that you do not approve the passage of HB 2318. I will be happy to stand for questions at the appropriate time.

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 **NATIONAL FARMERS UNION**
PROPERTY AND CASUALTY COMPANIES
Quality, Commitment, and Pride

Daniel R. Hawkins
P.O. Box 75195

████████████████████
Wichita, KS 67275-0195

Office: (316) 729-6452

Fax: (316) ██████████

722-2097

February 11, 2001

Dale Swenson
Kansas Representative
Wichita, Kansas

Dear Mr. Swenson,

I was very interested in the bill you are introducing concerning utility companies notifying property owners when utilities are going to be shut off. One of my clients, Rick King, called and talked to me about the bill. The insurance industry as a whole should be very concerned about this and should support the bill.

Our concern is when utilities are shut off we may incur losses from a number of perils. Two that come to mind are fire and water damage. Fire because a tenant may decide to use candles or lanterns to light rooms. Every year there are numerous fires cause by careless use of candles. Water damage occurs during this time of year when water pipes freeze and break causing damage to ceilings, walls, flooring and personal property.

Tenants may not really care about the property in which they live. However, the property owner has a financial interest in seeing that the dwelling is maintained. We have a financial interest in that we are going to bear a good share of the cost when an insured peril occurs. I urge you and your committee to vote yes on the bill and send it to the floor of the chambers for a vote by the legislature.

Sincerely,



Daniel Hawkins
Agency Owner

National Farmers Union Property and Casualty Company
National Farmers Union Standard Insurance Company

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ATTACHMENT 7

February 12, 2001

TO: The Honorable Carl Holmes
Room 115 S
Chairman, Utilities Committee

FROM: Steve Goevert
3926 N. Oliver
Wichita, KS 67220
316-619-0864

SUBJECT: HB 2318

Mr. Holmes:

The purpose of this note is to advise you of my opinion regarding the above-captioned bill which is in your Committee.

I am in favor of passage of this bill. I own and manage 12 rental units in Wichita; 4 single-family houses and four duplexes. This is the major part of my livelihood.

Coincidentally, in January I had an incident like what the Wichita Eagle described that occurred with Rick King. My tenant skipped, unknown to me, and had utilities turned off. Luckily, another tenant saw what was happening and called me before any damage occurred.

I'm sorry that I am unable to attend the hearing in Topeka. You may use this letter should you wish, or you may call me at my cell phone number given above.

Thanks for your attention to this matter.

Sincerely,



Steve Goevert

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ATTACHMENT 8

**BEFORE THE HOUSE UTILITIES COMMITTEE
PRESENTATION OF THE
KANSAS CORPORATION COMMISSION
FEBRUARY 14, 2001
HOUSE BILL NO. 2345**

Thank you, Chairman and members of the Committee. I am Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission. I appreciate the opportunity to be here today to testify for the Commission on House Bill No. 2345.

The Commission opposes HB 2345. This bill would require all natural gas utilities to restructure their billing to show transportation, distribution, commodity costs and certain sales taxes and franchise fees. In addition this bill would allow utilities to recover any costs to comply with restructuring their bills by requesting and obtaining a competitive transition charge. While this bill has good intentions, and the Commission supports providing the natural gas utility's customers with information regarding the costs of the service, this legislation is too restrictive, may not provide customers with relevant information, and may not be information that is available for some customers.

The utility may not have all of the information that the proposed legislation prescribes. For example, most transportation customers may pay their local natural gas distribution utility (LDC) the same amount for the use of the distribution system as the LDC charges sales customers. While the LDC buys and transports gas for its sales customers, the transportation customers make their own arrangements, or contract with a third party marketer. The utility simply has no direct knowledge of the costs of buying and transporting gas for these customers. However, this bill does not seem to distinguish between sales and transportation customers.

Even for sales customers the information required by this bill may be less useful than the information currently available on most customer's bills. Many of the bills for natural gas utilities currently show the customer charge, the volumetric margin charge for distributing the gas, and the cost of gas (COG) delivered to the LDC. The COG is usually a combination of transportation, storage and commodity costs, as well as adjustments for losses and any ongoing true up adjustments. If a large commercial or industrial sales customer decides to transport gas, or if transportation levels are eventually decreased to the residential level, these transportation customers often use a marketer to supply gas to the LDC for the customers' use. The transportation customer needs to compare delivered costs quoted by his marketer with costs the customer is currently paying. The COG is a good comparison for the cost of delivering gas to the LDC. Under this proposal the COG would be separated into transportation and gas commodity costs. This could actually confuse and harm a sales customer, if for example, the customer ended up deciding to transport gas because the marketer quoted him a lower commodity cost, but charged a higher transportation cost. For the customer deciding to transport, the COG is the proper amount to compare with the marketers delivered gas price. Just as there may be different transportation, refining, and oil costs between gasoline at competing service stations, the price per gallon is the ultimate relevant comparison for most motorists. This legislation prescribes a bill structure that may actually be detrimental to customers.

While the example given on the COG may not reflect every gas utility's bill structure, it is a breakdown of costs that the utilities and the Commission have been moving toward over some period of time, and the majority of Kansas LDC's have adopted. Generally, when the Commission Staff reviews gas utility rates and billing we have been trying to assure that the actual volumetric margin costs are identical for transportation and sales customers, and that customers have a clear concept of the cost of gas delivered to the LDC. Regardless of the requirements under this bill, LDC

delivered gas cost information would still be valuable to the customer. This legislation could prescriptively require the utility's bill to list transportation and gas commodity costs and still list the same COG information to be useful to the customer. In other words, to provide meaningful information to the customer, the same information may have to be listed twice. Verbatim compliance with this bill could create additional costs and confusion. While gas utility bills may seem somewhat confusing to customers now, imagine the customer's perspective if the same bill is restated with different itemizations. In addition, utility's bills already provide the line items shown in section 1 (d) (4) of the bill (sales tax, franchise fees, etc.).

Finally, this legislation allows one issue ratemaking, which is a practice that utility regulators try to avoid. By allowing the utilities to file a request for a competitive transition charge under section 1 (e) of this legislation, utilities will have the opportunity to request a recovery of this single item. While undoubtedly the utility will list and attempt to justify the costs in any one issue rate application, without a complete review of the rates it may be impossible to tell if actual additional expenses and rate increases are justified. For example, suppose a utility has to add three lines of information to a bill that currently has 7 lines of information. Does the utility claim that the three lines should absorb 30% of the overall billing costs, or is it just a small amount for adding computer code? Obviously it could be argued either way, but the problem raised by any one issue rate filing is that without a review of all utility expenses it is difficult to determine if these costs actually increased cost of service overall, and therefor justify an additional surcharge. Additionally, one of the largest Kansas natural gas utilities, Kansas Gas Service, has recently agreed to not file a request for a rate increase for two years, and the ability to obtain a surcharge on their bills by legislation could allow a utility request to increase customers gas bills before the end of that rate moratorium.

The Commission recognizes that this legislation is a well meaning attempt to help customers understand why their gas bills have increased this winter. However the information mandated by this bill may actually confuse customers, and the surcharge may actually increase their utility bills. For these reasons the Commission opposes this legislation.

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**Testimony before the House Utilities Committee
In Opposition to House Bill No. 2267**

**Burton L. Crawford
Manager of Deregulation Issues
Kansas City Power & Light Company
February 14, 2001**

Chairman Holmes and Members of the Committee:

I am Burton Crawford, Manager of Deregulation Issues for Kansas City Power & Light Company and am appearing before you today in opposition of House Bill No. 2267 related to parallel generation services.

KCPL has two concerns with this bill, it:

- (1) Requires a utility to purchase generation at prices exceeding their avoided costs
- (2) Touches on electric rate design issues best left to the KCC to decide

Purchases at Above Avoided Cost

As House Bill 2267 requires utilities to purchase electricity at prices above their avoided costs, it violates the Public Utility Regulatory Policies Act of 1978 (PURPA).

PURPA was signed into law to combat the energy crisis in the 70's with the primary purpose of encouraging alternative sources of power and to promote conservation. As a result, utilities are required to purchase generation from qualifying facilities at rates that do not exceed a utility's avoided costs. KCPL has a tariff on file that provides for these purchases.

Litigation over the past few years has clarified the authority of a state to order purchases above avoided cost. One of these cases involved KCPL (Kansas City Power & Light Co. V. State Corporation Commission, 234 Kan. 1052 676 P.2d 764 (1984)) holding that a state may not require a utility to purchase power from qualifying facilities

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at a rate in excess of PURPA's avoided cost cap. In addition, the Federal Energy Regulatory Commission (FERC) has since ordered that:

"If parties are required by state law or policy to sign contracts that reflect rates for QF sales at wholesale that are in excess of avoided costs, those contracts will be considered void" (Connecticut Light & Power Co., 70 FERC 61,012 (1995))

While New York was initially successful at requiring purchases above avoided costs (their now repealed law that required a minimum purchase price of 6 cents), it is now clear that this action violates PURPA.

Rate Design

The bill touches on electric rate design issues best left to the KCC to decide. It requires a fixed customer charge for distribution and transportation services equivalent to the charges for these services to other customers. Currently, rates are not structured to separate delivery services from energy service, therefore there is no basis for this charge. Should this bill move forward, the issue of how to charge for these delivery services is best left up to the KCC to decide along with the issue of settling the account on an annual basis.

For these reasons, we ask that this committee not move this bill forward.

Thank you for your time. I would be happy to answer any questions that you have.

TESTIMONY OF DONALD E. HELLWIG

House Utilities Committee
February 14, 2001

COMMENTS ON HOUSE BILL 2267

Good morning, Mr. Chairman and members of the Committee. My name is Donald Hellwig. I am General Manager of the DS&O Rural Electric Cooperative Association, Inc. DS&O is a distribution electric cooperative serving 7000 consumers in parts of ten counties of North Central Kansas.

I want to thank you for the opportunity to appear in opposition to HB 2267. This bill provides for the authority to construct and operate wind powered parallel generation facilities by Kansas school systems and prescribes the method of payment for excess energy generated by these units.

I am concerned that these facilities will have a significant financial impact on DS&O and therefore its customer owners. DS&O serves four different school facilities. These loads represent 2.1 percent (2.1%) of system demand and one and one half percent (1.5%) of energy sales. Loss of a significant portion of these sales would have a direct impact on the cooperative. More troubling is the possibility of incurring demand costs associated with the schools load while losing the revenue stream needed to pay those demand costs.

HB 2267 requires excess energy generated by these wind generators to be purchased by the local utility at its fully embedded retail price. The bills requirement that energy be purchased by the utility at the same per unit rate as sales to the school and that the account be balanced or settled once each year is commonly referred to as net metering. Net metering provides false economic signals about the value of the wind generation because many of the cost components

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of the retail rate are not being provided by the parallel generator.

First net metering allows the generator to offset high cost peaks by generating during non-peak times. Unfortunately, electricity can not be stored in significant quantities and therefore the cooperatives rate payers must absorb the cost of the peak caused by the wind generator.

Part of the cost of providing electric service is the duty to serve. Utilities must provide the manpower and facilities for reliable service. at all times and in all conditions. Part of the retail rate covers the cost of reserve capacity needs. The utility must still plan for and insure that capacity is available in the event that the wind generator is not available or the wind does not blow on any given day.

A significant part of a retail electric rate is known as the distribution adder. It includes the ownership and operating costs of substations, distribution lines, transformers, meters and the equipment to maintain them. The wind generation system provides none of these. This net metering proposal would require the cooperative to provide all of the facilities needed to transform and distribute the output of a wind generator and then pay the generator for using the Cooperative's facilities.

Kansas electric cooperatives pay a substantial amount of property taxes and therefore are interested in any proposal that will limit tax funded expenses. However, the net metering required by this bill provides a false economic incentive to our schools. It will require Kansas electric ratepayers to subsidize these facilities through higher rates.

If wind energy must depend on the false economics of net metering for justification it will not survive in the long term. Net metering does not provide an incentive to save costs or energy. It only shifts those costs to someone else.

Thank you for the opportunity to express my concerns.

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Kansas Electric Power Cooperative, Inc.

Testimony on HB 2267

Before the House Utilities Committee -- February 14, 2001

Bruce Graham, KEPCo's Vice President,
Member Services & External Affairs

The Kansas Electric Power Cooperative, Inc. (KEPCo) supports current discussion by the Legislature regarding energy policies that promote conservation as well as responsible exploration and utilization of our natural resources. Furthermore, we are pleased with efforts to encourage new electric generation and transmission facilities to meet the needs of Kansas citizens.

However, such policies and programs must be reasonable and equitable. Therefore, KEPCo cannot support a mandate that a non-profit utility enter into a net-metering arrangement which requires customers to subsidize the true cost of generation and results in higher rates for its other customers.

Net-metering advocates describe the concept as follows:

"Net metering allows you to use the electric grid, and the company that otherwise supplies you with electricity, as if it were a big, free battery. There will be times when your electricity needs are less than the amount of electricity your generating system is providing at the moment. Your generating system puts the excess electricity you do not need back into the electric grid to be used by others and allows you to take this same amount of electricity back out of the electric grid. Net metering permits you to "bank" your excess electricity and then withdraw it from the grid free for your use later that day, or even months later. When you withdraw your "banked" electricity, you save not having to buy this amount of electricity from your electric service provider."

-- source, The California Energy Commission.

This statement may be a simple and certainly attractive way to entice someone's interest in renewable generation, however, in the real world, this statement is naïve, irresponsible, and deceptive. You cannot store electric generation except in a battery (and that would have to be a big battery). Utilities operate sophisticated systems that control generation to match demand. Whatever is on the grid has to be consumed--there is no place or method for it to be stored or banked.

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(continued)

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In reality, the utility, as its regulated public responsibility, must plan to provide the customer's power on windy days, tranquil days, and even those days or weeks when the windmill is out of service. Then, as net metering advocates correctly state, the wind will blow again and the net-metered generation is able to spin the meter backwards and possibly avoid an energy bill from the utility altogether. But who paid for the cost of that more expensive energy purchased on peak? Not the net-metered school. The rest of the utility's customers subsidize that expense.

Specific to HB 2267, it is true that at some schools, demand may come close to matching historical wind patterns through the course of a breezy spring, fall and even in the winter. Historically, the summer months produce less wind generation and certainly not enough to meet demand. Perhaps in June and July, a wind generator could meet the needs of a school shut down for everything except minor maintenance. However, today's schools are becoming year-round magnets for continuing education and other activities. Not to mention that the school year now begins in the middle of August when utility demand is at its peak. Yet according to this proposal, a kilowatt generated by a nice cool spring breeze in May is valued the same as a kilowatt required by the school when it's 98 degrees and 98 percent humidity in August.

KEPCo believes that if the State of Kansas determines that additional incentives are needed to encourage wind generation, the State of Kansas should create and fund the incentives. The Kansas Legislature has passed a property tax exemption for renewable generating projects and this action has been hailed as a positive start. According to literature from the KCC, there are grants available for renewable energy projects in Kansas. In addition, the federal government continues to offer a 1.5 cent per kilowatt-hour wind-energy production tax credit and Kansas could offer a similar benefit. Another state offers a revolving loan fund to subsidize construction of small renewable energy projects.

Thank you for the opportunity to appear on HB 2267.

KEPCo is a generation and transmission utility that provides wholesale electricity and other services to 21 rural distribution cooperatives with member/consumers spanning two-thirds of rural Kansas.

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**BEFORE THE HOUSE UTILITIES COMMITTEE
PRESENTATION OF THE
KANSAS CORPORATION COMMISSION
FEBRUARY 14, 2001
HOUSE BILL NO. 2267**

Thank you, Chairman and members of the Committee. I am Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission. I appreciate the opportunity to be here today to testify for the Commission on House Bill No. 2267.

The Commission does not support or oppose HB 2267. Every session the legislature must make tough public policy decisions about how best to assist schools in the state, and this bill is no exception. The Commission does not take a position regarding school assistance and the Commission generally supports renewable energy. However, the Commission does want the legislature to realize that this bill would provide a subsidy for renewable energy and schools at the expense of other ratepayers.

This bill would require utilities to purchase power produced by wind generators owned by schools back at the same rate the utility sells power to the schools less transmission and distribution (T&D) costs. The retail rate that schools pay includes generation, transmission and distribution costs of the electric utility. This bill would allow the school to sell power back at that inclusive rate, minus T&D costs. Because retail rates are average generation costs and do not reflect the volatility of wholesale generation markets, the utility's other customers would eventually pay the difference when the utility's electric rates are adjusted to compensate for the loss of revenue. To illustrate this, consider the example attached to this testimony.

As shown in the example, the utility's ratepayers would be funding a subsidy to both the school and the wind generator vendor.

Example

This example is for illustrative purposes only:

Assume a school has the following usage and rate structure similar to WestPlains Energy's General Service tariff.

Usage Assumptions: 300,000 kWh, monthly peak demand averages 115kW (level monthly load, 30% load factor)

rate: \$8.50 monthly customer charge
~\$5 per KW demand charge (over 9 KW, actual winter \$4.86, summer \$5.40)
\$0.05233 per KW energy charge plus ECA

Assume \$6,000 annual fixed distribution and transmission costs, ECA is 0, and customer is perfectly typical for its customer class..

Annual Bill

Customer charge for 12 months	\$ 102.00
Demand charge for 12 months	\$ 6,900.00
Energy charge for 12 months	<u>\$15,699.00</u>
Total (annual cost)	\$22,701.00

Assuming correct rates Utility excess profit (loss) \$ 0

And the actual kWh charge less customer charge is $\$22,701 - \$6,000 = \$16,701$ or $\$0.05568$ per kWh

(assuming that is what section 1 (b) (1) means by the fixed monthly customer charge, and not the \$102. This section defines fixed monthly customer charge as fixed distribution and transmission costs for similar customers. This is different than the conventional definition.)

Now suppose that the school installs a wind generator for an annual cost of \$20,000 and generates and produces 400,000 kWh the next year and uses the same 300,000 kWh (for a net metering indication of 100,000). However, because the wind doesn't always blow the peak demand for the school is assumed to be the same. Because the wind blows more often in the fall and spring, when power prices are one third or less than the summer, assume the average value of the wind generated power at \$0.03 per kWh. And because the utility has to provide power to the school when the wind doesn't blow, assume that the utility actually provided 200,000 kWh, but had to sell 300,000 kWh on the wholesale market (the remaining 100,000 kWh actually was used by the school)

Utility's perspective

Annual bill for distribution and transmission	\$ 6,000
Power purchased from customer's net meter 100,000 kWh @ \$0.05568 per kWh	(\$5,568)
Generated power resale @ \$0.03 per kWh for 300,000 actual net output	\$ 9,000
Cost of providing t&d	(\$ 6,000)
Cost of providing power @ \$0.05568 for 200,000 kWh when wind offline	<u>(\$11,134)</u>
Utility Profit (loss)	(\$ 7,702)

Result: following next rate case utility's other customers collectively pay an extra \$7,702

Now consider the school's situation.

School's perspective

Electric bill for t&d	(\$ 6,000)
payment for 100,000 kWh net metering	\$ 5,568
Cost of wind generator	<u>(\$20,000)</u>
School's annual electric cost	(\$20,432)

The school's cost has decreased by \$2,269 a year (\$20,432 compared to \$22,701), however the utility's other customer's rates collectively increased by \$7,702 per year to pay to save the school \$2,269 per year. The remaining \$5,433 per year would essentially be a subsidy to the wind generator supplier. The ratepayers would be better off to simply give the school \$7,000 a year in their electric rates, this would save them collectively \$702 and the school would have \$4,731 more annually than if it constructed and operated subsidized wind generation.

Summary of subsidies in this example:

Annual school savings subsidy	\$2,269
Annual renewable vendor subsidy	<u>\$5,433</u>
Annual cost to utility's ratepayers	\$7,702

Testimony
before the
House Utilities Committee
Western Resources
by
Dick Rohlf, Western Resources
February 14, 2001

Chairman Holmes and Members of the Committee:

Western Resources is opposed to HB 2267. If the legislature determines that school wind energy projects should be subsidized, then the subsidy should be directly funded, not indirectly by the school's electric utility provider.

HB 2267 would require electric cooperatives, electric utilities and municipal electric utilities to purchase electricity from schools which operate wind generation facilities. Schools are limited in sizing the capacity of their wind generators.

HB 2267 further requires that:

1. The rate paid to the schools would be the same rate the schools pay their utilities, even though the schools provide only a generation component of electric service, not the "wires" and other distribution services such as billing and metering which utilities provide,

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2. Schools would pay a fixed monthly charge for the transmission and distribution service, and
3. Schools would pay a generation charge for equal to other customers of the same customer class for energy received from the utility.

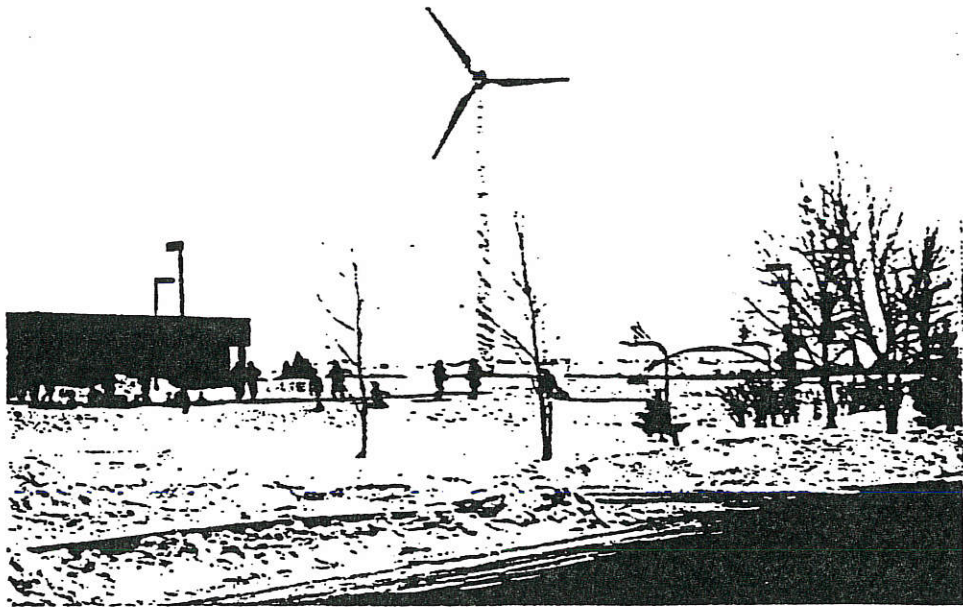
The rate paid to schools (item 1 above) for excess energy established in this bill may not comply with federal law (PURPA) regarding the permissible rate utilities may pay to qualifying generating facilities. Moreover, this bill may require utilities to unbundle their rates at great cost and limited use.

Alternatively, if the Committee wants to extend an incentive through an indirect subsidy to schools to build wind generation, we suggest the school's electric provider pay 150% of its monthly system average cost of energy per kilowatt hour. We believe that such compensation at least arguably complies with requirements of federal law, and still provides schools an incentive to operate wind generators. It is important to emphasize to Committee members, however, that under this alternative, the subsidy is still indirect.

Finally, there is an internal conflict in this bill. Section 1 (b) (2) (A) and (B) are in conflict with Section 2 (a) (1) and (2). The conflict is related to the providing of meters and protective devices.

Janna McCreave

Spirit Lake Community School District



POWERING THE SCHOOLS WITH WIND

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Spirit Lake Community School Wind Energy Summary

<u>Month</u>	<u>Windturbine Production</u>	<u>Building Use</u>	<u>KWH Sold or Bought</u>	<u>Building Use Cost</u>	<u>KWH Sold</u>	<u>KWH Bought</u>	<u>Wind Energy Dollars</u>
July 1993	14031	15951	1920	\$1,746.96	\$0.00	\$220.38	\$1,526.57
August 1993	17817	24345	6528	\$2,720.95	\$0.00	\$754.85	\$1,966.09
September 1993	23719	23289	-384	\$1,941.42	(\$23.12)	\$0.00	\$1,964.54
October 1993	31953	23661	-8292	\$1,987.92	(\$499.18)	\$0.00	\$2,487.10
November 1993	31879	23662	-8217	\$1,907.95	(\$494.66)	\$0.00	\$2,402.61
December 1993	34992	25584	-9408	\$1,993.10	(\$566.36)	\$0.00	\$2,559.46
January 1994	32636	26876	-5760	\$1,935.55	(\$346.75)	\$0.00	\$2,282.31
February 1994	28113	20625	-7488	\$1,587.89	(\$450.78)	\$0.00	\$2,038.67
March 1994	39107	19331	-19776	\$1,445.51	(\$1,190.52)	\$0.00	\$2,636.02
April 1994	32554	22570	-9984	\$1,645.20	(\$601.04)	\$0.00	\$2,246.23
May 1994	20523	21099	576	\$1,624.86	\$0.00	\$117.15	\$1,507.71
June 1994	17452	16876	-576	\$1,745.56	(\$34.68)	\$0.00	\$1,780.24
July 1994	9905	12785	2880	\$1,342.65	\$0.00	\$325.41	\$1,017.24
August 1994	17044	24532	7488	\$2,536.80	\$0.00	\$794.91	\$1,741.90
September 1994	28917	26997	-1920	\$2,069.64	(\$115.58)	\$0.00	\$2,185.22
October 1994	39581	24989	-14592	\$1,916.20	(\$878.44)	\$0.00	\$2,794.64
November 1994	36434	20882	-15552	\$1,611.72	(\$936.23)	\$0.00	\$2,547.95
December 1994	30939	21339	-9600	\$1,644.72	(\$577.92)	\$0.00	\$2,222.64
January 1995	27367	25447	-1920	\$1,951.92	(\$115.58)	\$0.00	\$2,067.50
February 1995	29670	23910	-5760	\$1,832.54	(\$346.75)	\$0.00	\$2,179.29
March 1995	38023	22663	-15360	\$1,741.52	(\$924.67)	\$0.00	\$2,666.19
April 1995	16631	22967	6336	\$2,297.76	\$0.00	\$223.71	\$2,074.04
May 1995	18543	16047	-2496	\$1,245.98	(\$150.26)	\$0.00	\$1,396.24
June 1995	13364	15284	1920	\$1,601.34	\$0.00	\$228.86	\$1,372.48
July 1995	11608	14680	3072	\$1,531.97	\$0.00	\$345.63	\$1,186.34
August 1995	17452	27628	10176	\$2,857.30	\$0.00	\$1,073.71	\$1,783.59
September 1995	27988	25684	-2304	\$2,654.54	(\$138.70)	\$0.00	\$2,793.24
October 1995	40212	26196	-14016	\$2,335.60	(\$843.76)	\$0.00	\$3,179.37
November 1995	37539	25635	-11904	\$2,289.04	(\$716.62)	\$0.00	\$3,005.66
December 1995	20245	24469	4224	\$1,881.11	\$0.00	\$360.71	\$1,520.40
January 1996	37793	26657	-11136	\$2,378.67	(\$670.39)	\$0.00	\$3,049.05
February 1996	41845	22645	-19200	\$1,737.53	(\$1,155.84)	\$0.00	\$2,893.37
March 1996	32073	23241	-8832	\$1,783.61	(\$531.69)	\$0.00	\$2,315.30
April 1996	28325	26213	-2112	\$2,006.82	(\$127.14)	\$0.00	\$2,133.97
May 1996	24703	16063	-8640	\$1,494.06	(\$520.13)	\$0.00	\$2,014.18
June 1996	14178	15522	1344	\$1,624.75	\$0.00	\$170.09	\$1,454.66
July 1996	9866	21578	11712	\$2,278.46	\$0.00	\$315.47	\$1,962.99
August 1996	6027	35595	29568	\$3,740.85	\$0.00	\$3,113.44	\$627.41
September 1996	26949	30213	3264	\$3,176.29	\$0.00	\$0.00	\$3,176.29
October 1996	40429	18349	-22080	\$1,466.28	(\$1,329.22)	\$0.00	\$2,795.50
November 1996	29013	27477	-1536	\$2,175.70	(\$92.47)	\$0.00	\$2,268.17
December 1996	40089	19545	-20544	\$1,560.18	(\$1,236.75)	\$0.00	\$2,796.92
January 1997	28303	24655	-3648	\$1,954.08	(\$219.61)	\$0.00	\$2,173.69
February 1997	39449	25817	-13632	\$2,044.82	(\$820.65)	\$0.00	\$2,865.46
March 1997	32084	16724	-15360	\$1,332.06	(\$924.67)	\$0.00	\$2,256.73
April 1997	27953	24305	-3648	\$1,926.06	(\$219.61)	\$0.00	\$2,145.67
May 1997	20637	19293	-1344	\$1,535.70	(\$80.91)	\$0.00	\$1,616.61

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<u>Month</u>	<u>Production</u>	<u>Use</u>	<u>or Bought</u>	<u>Use Cost</u>	<u>Sold</u>	<u>Bought</u>	<u>Dollars</u>
June 1997	8900	15860	9408	\$1,555.42	\$0.00	\$1,133.40	\$422.02
July 1997	3000	20216	14976	\$2,126.57	\$0.00	\$1,583.71	\$542.86
August 1997	5000	33076	21696	\$3,424.72	\$0.00	\$2,257.13	\$1,167.59
September 1997	18452	28244	9792	\$2,196.05	\$0.00	\$786.32	\$1,409.73
October 1997	31240	26056	-5184	\$2,034.16	(\$312.08)	\$0.00	\$2,346.24
November 1997	25000	23808	-192	\$1,859.78	(\$11.56)	\$0.00	\$1,871.34
December 1997	15236	19652	4416	\$1,544.90	\$0.00	\$380.87	\$1,164.03
January 1998	11429	26789	15360	\$2,091.48	\$0.00	\$1,218.31	\$873.18
February 1998	27588	25092	-2496	\$1,953.92	(\$150.26)	\$0.00	\$2,104.18
March 1998	27939	25827	-2112	\$2,011.40	(\$127.14)	\$0.00	\$2,138.54
April 1998	21759	30399	8640	\$2,362.01	\$0.00	\$334.01	\$2,028.00
May 1998	15914	24938	9024	\$1,942.16	\$0.00	\$726.33	\$1,215.83
June 1998	14820	18276	3456	\$1,932.02	\$0.00	\$396.67	\$1,535.35
July 1998	5010	13266	8256	\$1,380.58	\$0.00	\$685.23	\$695.35
August 1998	10947	32067	21120	\$3,287.01	\$0.00	\$2,123.59	\$1,163.41
September 1998	21250	26626	5376	\$2,076.39	\$0.00	\$452.89	\$1,623.50
October 1998	23193	28761	5568	\$2,240.82	\$0.00	\$428.35	\$1,812.47
November 1998	34392	30360	-4032	\$2,362.99	(\$242.73)	\$0.00	\$2,605.71
December 1998	27895	23095	-4800	\$1,807.94	(\$288.96)	\$0.00	\$2,096.90
January 1999	14997	25557	10560	\$1,996.04	\$0.00	\$850.27	\$1,145.77
February 1999	26497	27649	1152	\$2,155.87	\$0.00	\$132.64	\$2,023.23
March 1999	40311	23223	-17088	\$1,809.81	(\$1,028.70)	\$0.00	\$2,838.51
April 1999	39763	23059	-16704	\$1,805.19	(\$1,005.58)	\$0.00	\$2,810.77
May 1999	24221	28445	4224	\$2,216.68	\$0.00	\$172.79	\$2,043.89
June 1999	22233	22617	384	\$2,349.48	\$0.00	\$128.93	\$2,220.55
July 1999	5978	25178	19200	\$2,583.43	\$0.00	\$1,833.80	\$749.62
August 1999	16327	29575	13248	\$3,075.98	\$0.00	\$1,399.20	\$1,676.78
September 1999	14857	27721	12864	\$2,882.36	\$0.00	\$1,076.22	\$1,806.14
October 1999	28863	26559	-2304	\$2,088.53	(\$138.70)	\$0.00	\$2,227.23
November 1999	35856	37968	2112	\$2,963.07	\$0.00	\$202.15	\$2,760.91
December 1999	35728	24976	-10752	\$1,967.95	(\$647.27)	\$0.00	\$2,615.22
January 2000	21173	27701	6528	\$2,169.87	\$0.00	\$539.55	\$1,630.32
February 2000	29342	27614	-1728	\$2,165.81	(\$104.03)	\$0.00	\$2,269.83
March 2000	25554	26130	576	\$2,047.59	\$0.00	\$79.93	\$1,967.66
April 2000	29405	33821	4416	\$2,645.06	\$0.00	\$380.88	\$2,264.19
May 2000	7321	18073	10752	\$1,900.55	\$0.00	\$1,145.02	\$755.53
June 2000	15804	11196	-4608	\$1,221.30	(\$277.40)	\$0.00	\$1,498.70
	2049148	1999365	-54909	\$172,076.01	(\$22,215.06)	\$28,492.49	\$165,798.58

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Year	Windturbine Production	Building Use	KWH Sold or Bought	Building Use Cost	KWH Sold	KWH Bought	Wind Energy Dollars
1993	154391	136492	-17853	\$ 12,298.30	(\$1,583.32)	\$ 975.24	\$ 12,906.38
1994	333205	258901	-74304	\$ 21,106.32	(\$5,131.93)	\$ 1,237.46	\$ 25,000.79
1995	298642	270610	-28032	\$ 24,220.60	(\$3,236.35)	\$ 2,232.62	\$ 25,224.34
1996	331290	283098	-48192	\$ 25,423.20	(\$5,663.62)	\$ 3,599.00	\$ 27,487.82
1997	255254	277706	17280	\$ 23,534.30	(\$2,589.08)	\$ 6,141.42	\$ 19,981.96
1998	242136	305496	63360	\$ 25,448.73	(\$809.09)	\$ 6,366.38	\$ 19,892.44
1999	305631	322527	16896	\$ 27,894.38	(\$2,820.25)	\$ 5,796.00	\$ 24,918.63
2000	128599	144535	15936	\$ 12,150.18	(\$381.43)	\$ 2,145.38	\$ 10,386.23
Totals	2049148	1999365	-54909	\$ 172,076.01	(\$22,215.06)	\$28,492.49	\$ 165,798.58

Spirit Lake Wind Energy and the Environment

Environmental Impact

Kilowatt Hours:	2049148
BTU's:	22540628000
Pounds of Carbon Dioxide Emissions:	3073722
Pounds of Sulfur Oxide Emissions:	438517.671999
Tons of Coal	1024.574
Barrels of Oil:	3606.50048
Trees	1870.872124