Approved: May 1, 2001 Carl Dean Holmes
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on March 20, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Dixie Toelkes

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

Conferees appearing before the committee: Senator Stan Clark
J. C. Long, UtiliCorp United
Jack Glaves, Duke Energy

Others attending: See Attached List

SB 177 - Independent power producer property, taxation, assessed rate

Chairman Holmes opened the hearing on **SB 177.**

Sen. Stan Clark addressed the committee on **SB 177** and explained the provisions thereof (Attachment 1). Sen. Clark also included in his testimony charts outlining his personal electric bill comparison based on different billing methods and a chart listing announced merchant power plants. Sen. Clark responded to questions from the committee.

J. C. Long, Director of Government Affairs for UtiliCorp United Inc., appeared in support of **SB 177** (Attachment 2). Mr. Long responded to questions from the committee.

Jack Glaves, appearing on behalf of Duke Energy, testified as a proponent to **SB 177** (Attachment 3). Mr. Glaves explained they supported the bill because it does not micro-manage the generation concept. Mr. Glaves responded to questions from the committee.

Jim Ludwig, Western Resource's Senior Director for Regulatory Affairs, submitted written testimony in support of **SB 177** (Attachment 4).

Chairman Holmes closed the hearing on **SB 177.**

Meeting adjourned at 10:41 a.m.

Next meeting is Wednesday, March 28, 2001.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 20, 2001

NAME	REPRESENTING
Jack Glaves	Duke-P-H-KM + Oth
Ken Peterson	KS Petroleum Council
Tom K Miles	KEC
Joe Dick	KCKBPU
Stan Clark	Senate
Scott Anglemyer	KDOC&H
Patrick J Hurley	KCC
JC Long	UCU.
Steve Kearney	WR, Inc.
BRUCE GRAHAM	KEPCo
Cynthia Green	KCPL
JIM LUDWICK	WESTERN RESOURCES
Bob Krehbiel	KCCOA
DENNY KOCH	PNM
Sandy Braden	Barker, Braden, Barbee & Assoc.
Tom Day	KCC

40TH DISTRICT

KANSAS SENATE

Stan Clark

COMMITTEE ASSIGNMENTS
CHAIR: UTILITIES
MEMBER: ASSESSMENT & TAXATION
ELECTIONS & LOCAL GOVERNMENT
ORGANIZATIONS, CALENDAR, & RULES
RULES & REGULATIONS

Testimony before the House Utilities Committee
Senate Bill 177 - March 20, 2001

Chairman Holmes and members of the committee:

House Bill 2266 and Senate Bill 177 both encourage independent power producers to construct electric generation facilities in Kansas. I refer to HB 2266 as a gourmet meal and SB 177 as a meat and potatoes bill.

Provisions in SB 177 include: fuel

1. Silent on the source of ~~coal~~ (page 2, line 26). Therefore coal, natural gas, nuclear, hydrogen, Helium 3, and any other fuel source qualify.
2. New construction (page 2, Line 24) and new additions (page 2, line 23) can qualify as an independent power producer generator so long as the additional generation is not in the rate-base of an electric utility or cooperative.
3. Efficiency gains by refurbishing, remodeling or replacing existing equipment (page 2, lines 33-36) do not qualify as being exempt from the public utility definition (page 2, lines 20-32).
4. All or a portion of an electric generation plant (page 2, line 38) can be classified as a commercial and industrial property. This allows a public utility to build a large base-load plant, place a portion of the plant in rate-base for its customers in their certified franchise area and market the balance of the generation produced by the plant in the same competitive wholesale market as any other independent power producer. See pages 3 – 8 of this testimony to see the impact of overbuilding electric generation in the 1980's.
5. For property tax purposes we listed specific FERC accounts as tangible personal property (page 3, lines 3-8). See pages 9 to 20 of this testimony.
6. Since independent power producer property is classified as commercial and industrial property, it is eligible for property tax abatements and payment in lieu of tax agreements with local government officials if industrial revenue bonds are issued. There are no state-mandated

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HOUSE UTILITIES
DATE: 3-20-01
ATTACHMENT 1

property tax abatements. See KSA 12-1740, KSA 79-201a, Kansas Constitution Article 11, Section 13, which are pages 21 to 23 of this testimony.

7. Personal property would be depreciated using the constitutionally prescribed 7-year straight-line depreciation schedule to 20 percent residual value rather than appraised fair market value under current law. See Kansas Constitution Article 11, Section 1, Class 2-5, which is, pages 24 & 25 of this testimony.
8. Manufacturers inventory is constitutionally exempt property while public utility property is taxed. See Kansas Constitution Article 11, section 1(b), which is page 25 of this testimony.
9. Personal property (equipment) would be eligible for the 15% income tax credit currently available to all commercial and industrial business in our state. See KSA 79-32,206, which is page 26 of this testimony.

An article in the February 11, 2001 issue of the *New York Times* stated: "most of the new power plants in the United States are being built not by regulated utilities but by independent and unregulated operators. Almost 20% of the electricity generated in the first 10 months of 2000 came from generators other than traditional utilities, twice the proportion in 1997. More than 100 companies have announced new plants." I have attached a chart that identifies over 450 proposed new plants, none are in Kansas.

Mr. Chairman, I believe that explains the provisions of SB 177, which passed the Senate, last Wednesday on a vote of 38-2 and will stand for questions.

ACCT# 70685 83404 CLARK, STAN

	PLAINS			NON PLAINS		
DATE	KWH USAGE	TOTAL CHARGES	CENTS PER kWh	KWH USAGE	TOTAL CHARGES	CENTS PER kWh
Mar-88	443	$ 59.66	$ 0.1346726862	443	$ 35.07	0.079166516
Apr-88	376	$ 53.27	$ 0.1416755319	376	$ 30.34	0.080700766
May-88	400	$ 54.23	$ 0.1355750000	400	$ 32.31	0.080787
Jun-88	438	$ 60.82	$ 0.1388584475	438	$ 34.51	0.078787301
Jul-88	502	$ 70.14	$ 0.1397211155	502	$ 44.55	0.088746167
Aug-88	869	$ 107.60	$ 0.1238204833	869	$ 71.49	0.082271427
Sep-88	827	$ 103.60	$ 0.1252720677	827	$ 68.45	0.082767247
Oct-88	877	$ 110.75	$ 0.1262827822	877	$ 62.69	0.071485317
Nov-88	695	$ 79.44	$ 0.1143021583	695	$ 52.68	0.075803957
Dec-88	463	$ 57.97	$ 0.1252051836	463	$ 36.32	0.078455093
1988 TOTALS	5890	$ 757.48	$ 0.1286044143	5890	$ 468.43	0.079530039
Jan-89	483	$ 50.32	$ 0.1041821946	483	$ 38.18	0.079056565
Feb-89	477	$ 55.09	$ 0.1154926625	477	$ 37.20	0.077985789
Mar-89	538	$ 64.10	$ 0.1191644916	538	$ 43.73	0.081273864
Apr-89	378	$ 46.22	$ 0.1222751323	378	$ 30.98	0.081970889
May-89	410	$ 48.67	$ 0.1187073171	410	$ 33.33	0.081296378
Jun-89	547	$ 60.91	$ 0.1113528336	547	$ 43.05	0.078708806
Jul-89	761	$ 77.79	$ 0.1022207622	761	$ 64.41	0.084642368
Aug-89	1000	$ 115.61	$ 0.1156100000	1000	$ 87.38	0.08737855
Sep-89	1083	$ 119.18	$ 0.1100461681	1083	$ 86.79	0.080133987
Oct-89	925	$ 102.57	$ 0.1108864865	925	$ 68.45	0.073996439
Nov-89	613	$ 98.51	$ 0.1607014682	613	$ 46.92	0.076534229
Dec-89	762	$ 73.13	$ 0.0959711286	762	$ 58.50	0.076771118
1989 TOTALS	7977	$ 912.10	$ 0.1143412310	7977	$ 638.92	0.080094947
Jan-90	470	$ 57.22	$ 0.1217446809	470	$ 38.51	0.081945859
Feb-90	581	$ 71.71	$ 0.1234251291	581	$ 52.17	0.089794699
Mar-90	330	$ 43.55	$ 0.1319696970	330	$ 32.44	0.098294889
Apr-90	305	$ 41.74	$ 0.1368524590	305	$ 30.63	0.100417472
May-90	519	$ 65.94	$ 0.1270520231	519	$ 47.30	0.09113632
Jun-90	516	$ 63.10	$ 0.1222868217	516	$ 47.83	0.092701997
Jul-90	785	$ 102.37	$ 0.1304076433	785	$ 76.90	0.097962275
Aug-90	1043	$ 137.14	$ 0.1314860978	1043	$ 96.70	0.092713312
Sep-90	910	$ 114.06	$ 0.1253406593	910	$ 83.08	0.091298592
Oct-90	944	$ 118.71	$ 0.1257521186	944	$ 77.39	0.081985469
Nov-90	757	$ 103.10	$ 0.1361955086	757	$ 64.35	0.085013192
Dec-90	509	$ 66.59	$ 0.1308251473	509	$ 46.94	0.092228094
1990 TOTALS	7669	$ 985.23	$ 0.1284691616	7669	$ 694.26	0.090528016
Jan-91	473	$ 59.52	$ 0.1258350951	473	$ 46.97	0.099295476
Feb-91	560	$ 74.62	$ 0.1332500000	560	$ 48.98	0.087462863
Mar-91	415	$ 51.84	$ 0.1249156627	415	$ 35.04	0.084422242
Apr-91	503	$ 66.32	$ 0.1318489066	503	$ 49.15	0.097704642
May-91	460	$ 60.70	$ 0.1319565217	460	$ 41.92	0.091121789
Jun-91	397	$ 49.95	$ 0.1258186398	397	$ 40.89	0.103006011
Jul-91	564	$ 77.45	$ 0.1373226950	564	$ 56.88	0.100855253
Aug-91	935	$ 134.05	$ 0.1433689840	935	$ 79.41	0.084931234
Sep-91	869	$ 116.92	$ 0.1345454545	869	$ 63.66	0.07325509
Oct-91	843	$ 112.30	$ 0.1332147094	843	$ 61.03	0.072399889
Nov-91	741	$ 98.28	$ 0.1326315789	741	$ 56.93	0.076823126
Dec-91	578	$ 71.81	$ 0.1242387543	578	$ 52.90	0.091527622
1991 TOTALS	7338	$ 973.76	$ 0.1327010084	7338	$ 633.75	0.086365469
Jan-92	682	$ 84.88	$ 0.1244574780	682	$ 61.46	0.090123106
Feb-92	687	$ 88.19	$ 0.1283697234	687	$ 60.72	0.088379375
Mar-92	690	$ 87.90	$ 0.1273913043	690	$ 60.79	0.088100199
Apr-92	789	$ 96.57	$ 0.1223954373	789	$ 69.10	0.087579472
May-92	843	$ 108.25	$ 0.1284104389	843	$ 74.36	0.088203046
Jun-92	731	$ 96.29	$ 0.1317236662	731	$ 66.65	0.0911831
Jul-92	956	$ 120.69	$ 0.1262447699	956	$ 91.98	0.096212293
Aug-92	1326	$ 203.58	$ 0.1535294118	1326	$ 128.36	0.096803973
Sep-92	1529	$ 220.30	$ 0.1440810988	1529	$ 146.38	0.095737181
Oct-92	1366	$ 182.28	$ 0.1334407028	1366	$ 108.77	0.07962942
Nov-92	953	$ 123.87	$ 0.1299790136	953	$ 81.30	0.085314262
Dec-92	992	$ 122.78	$ 0.1237701613	992	$ 85.97	0.086665[illegible]52
1992 TOTALS	11544	$ 1,535.58	$ 0.1330197505	11544	$ 1,035.85	0.089731021
Jan-93	916	$ 108.30	$ 0.1182314410	916	$ 81.76	0.089252751
Feb-93	1141	$ 130.97	$ 0.1147852761	1141	$ 94.43	0.082757852
Mar-93	995	$ 112.66	$ 0.1132261307	995	$ 84.12	0.084545451
Apr-93	748	$ 86.62	$ 0.1158021390	748	$ 66.48	0.088872752
May-93	1036	$ 119.49	$ 0.1153378378	1036	$ 86.86	0.083845282
Jun-93	909	$ 104.60	$ 0.1150715072	909	$ 79.54	0.087501104
Jul-93	978	$ 120.34	$ 0.1230470348	978	$ 93.50	0.09559855
Aug-93	1767	$ 340.83	$ 0.1362931522	1767	$ 161.68	0.091500231
Sep-93	1550	$ 213.91	$ 0.1380064516	1550	$ 139.70	0.090127049
Oct-93	1378	$ 181.71	$ 0.1318650218	1378	$ 105.79	0.076768001
Nov-93	821	$ 107.50	$ 0.1309378806	821	$ 70.88	0.086334182
Dec-93	1008	$ 125.95	$ 0.1249503968	1008	$ 85.26	0.084585524
1993 TOTALS	13247	$ 1,652.88	$ 0.1247739111	13247	$ 1,149.99	0.086811058
Jan-94	933	$ 111.69	$ 0.1197106109	933	$ 79.79	0.085520845
Feb-94	1150	$ 129.47	$ 0.1125826087	1150	$ 96.63	0.084024283
Mar-94	1124	$ 140.63	$ 0.1251156584	1124	$ 97.16	0.086440743
Apr-94	924	$ 115.72	$ 0.1252380952	924	$ 82.65	0.089446853
May-94	902	$ 110.57	$ 0.1225831486	902	$ 83.51	0.092579776
Jun-94	787	$ 89.60	$ 0.1138500635	787	$ 76.89	0.097703596
Jul-94	1156	$ 151.06	$ 0.1306747405	1156	$ 116.64	0.1008965
Aug-94	2213	$ 295.56	$ 0.1335562585	2213	$ 201.60	0.091096912
Sep-94	1413	$ 186.40	$ 0.1319179052	1413	$ 129.51	0.091658683
Oct-94	1526	$ 186.32	$ 0.1220969856	1526	$ 118.93	0.077937029
Nov-94	961	$ 125.63	$ 0.1307284079	961	$ 83.64	0.087037833
Dec-94	760	$ 92.09	$ 0.1211710526	760	$ 69.23	0.091089606
1994 TOTALS	13849	$ 1,734.74	$ 0.1252610297	13849	$ 1,236.18	0.089261156
Jan-95	930	$ 116.74	$ 0.1255268817	930	$ 85.73	0.092187658
Feb-95	935	$ 121.81	$ 0.1302780749	935	$ 84.62	0.090504745
Mar-95	964	$ 131.67	$ 0.1365871369	964	$ 84.94	0.088113106
Apr-95	866	$ 118.51	$ 0.1368475751	866	$ 78.69	0.090871102
May-95	585	$ 78.03	$ 0.1333846154	585	$ 54.40	0.09298545
Jun-95	877	$ 116.31	$ 0.1326225770	877	$ 80.66	0.091971192
Jul-95	539	$ 81.25	$ 0.1507421150	539	$ 55.99	0.103872771
Aug-95	1519	$ 239.01	$ 0.1573469388	1519	$ 146.41	0.096384812
Sep-95	1870	$ 280.54	$ 0.1500213904	1870	$ 165.07	0.088271671
Oct-95	1947	$ 240.94	$ 0.1237493580	1947	$ 139.86	0.071832329
Nov-95	776	$ 107.22	$ 0.1381701031	776	$ 68.50	0.088269724
1995 TOTALS	11808	$ 1,632.03	$ 0.1382139228	11808	$ 1,044.87	0.088487967

SUMMARY

Jun-05	5890	$ 757.48	$ 0.1286044143	5890	$ 468.43	0.079530039
Jun-05	7977	$ 912.10	$ 0.1143412310	7977	$ 638.92	0.080094947
Jun-05	7669	$ 985.23	$ 0.1284691616	7669	$ 694.26	0.090528016
Jun-05	7338	$ 973.76	$ 0.1327010084	7338	$ 633.75	0.086365469
Jun-05	11544	$ 1,535.58	$ 0.1330197505	11544	$ 1,035.85	0.089731021
Jun-05	13247	$ 1,652.88	$ 0.1247739111	13247	$ 1,149.99	0.086811058
Jun-05	13849	$ 1,734.74	$ 0.1252610297	13849	$ 1,236.18	0.089261156
Jun-05	11808	$ 1,632.03	$ 0.1382139228	11808	$ 1,044.87	0.088487967
TOTALS	79322	$ 10,183.80	$ 0.1283855477	79322	$ 6,902.24	0.087015496

Stan Clark's Annual Electric Bill Comparison

Year	Plains Charges	Non-Plains Charges	Difference	% of Charges over Non-Plains
1988	$ 757.48	$ 468.43	$289.05	61.71%
1989	$ 912.10	$ 638.92	$273.18	42.76%
1990	$ 985.23	$ 694.26	$290.97	41.91%
1991	$ 973.76	$ 633.75	$340.01	53.65%
1992	$1535.46	$1035.85	$499.61	48.24%
1993	$1652.88	$1149.99	$502.89	43.73%
1994	$1734.74	$1236.18	$498.56	40.33%
1995	$1632.03	$1044.87	$587.16	56.19%
1999	$1267.14	$ 930.16	$336.98	36.23%

THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

BEFORE COMMISSIONERS: MICHAEL LENNEN, CHAIRMAN
RICHARD C. (PETE) LOUX
PHILLIP R. DICK

Sept 2, 1983

IN THE MATTER OF THE APPLICATION OF SUNFLOWER ELECTRIC COOPERATIVE, INC., FOR APPROVAL OF THE STATE CORPORATION COMMISSION TO MAKE CERTAIN CHANGES IN ITS CHARGES FOR SALE OF ELECTRICITY TO ITS MEMBER COOPERATIVES.	)	DOCKET NO. 137,068-U

ORDER

NOW, THIS MATTER COMES ON FOR CONSIDERATION AND DETERMINATION BY THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS UPON THE APPLICATION OF SUNFLOWER ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF THE COMMISSION TO MAKE CERTAIN CHANGES IN ITS CHARGES FOR SALE OF ELECTRICITY TO ITS MEMBER COOPERATIVES.

APPEARANCES OF COUNSEL WERE AS FOLLOWS:

L. EARL WATKINS, JR., GREAT BEND, KANSAS, AND JACK GLAVES, WICHITA, KANSAS, FOR THE APPLICANT SUNFLOWER ELECTRIC COOPERATIVE, INC.;

GERARD LITTLE, GARDEN CITY, KANSAS, FOR INTERVENORS THE CITIES OF GARDEN CITY, LAKIN AND LEOTI, KANSAS;

SAM W. G. LOWE, COLBY, KANSAS, LESLIE R. KEHL, DENVER, COLORADO, AND ALVIN J. MEIKLEJOHN, DENVER, COLORADO FOR INTERVENOR GREAT PLAINS ELECTRIC COOPERATIVE, INC.;

JAMES M. MILLIKEN, ST. FRANCIS, KANSAS, FOR INTERVENOR NORTHWEST KANSAS ELECTRIC COOPERATIVE, INC.;

KEEN BRANTLEY, SCOTT CITY, KANSAS, FOR INTERVENOR WHEATLAND ELECTRIC COOPERATIVE, INC.;

WILLIAM J. RYAN, NORTON, KANSAS, FOR INTERVENOR NORTON-DECATUR COOPERATIVE ELECTRIC CO. INC.;

E. F. RUSSELL, ULYSSES, KANSAS, FOR INTERVENOR PIONEER ELECTRIC COOPERATIVE, INC.;

HARRY A. WAITE, DODGE CITY, KANSAS, AND LESLIE R. KEHL AND ALVIN J. MEIKLEJOHN, DENVER, COLORADO, FOR INTERVENOR VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.;

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HOLCOMB WAS IN EXCESS OF CURRENT POWER REQUIREMENTS. MR. THOMPSON TESTIFIED THAT SUNFLOWER EXPECTED TO USE ONLY 50% OF HOLCOMB TO MEET ITS MEMBER REQUIREMENTS. HE STATED THAT LOAD DURATION CURVE AND REDISPATCH STUDIES INDICATED THAT 50% OF HOLCOMB WOULD MEET PRESENT BASE LOAD REQUIREMENTS. MR. SCHNOSE TESTIFIED THAT IF THE ENTIRE HOLCOMB PLANT WERE PLACED IN RATE BASE AT THIS TIME, RATE LEVELS WOULD DOUBLE FROM 1982 LEVELS. HE CALLED SUCH A RESULT "A GROSS INEQUITY ON TODAY'S MEMBERS" BECAUSE THEY WOULD BE PAYING FOR PLANT IN EXCESS OF CURRENT NEEDS.

7. THE EVIDENCE DEMONSTRATES THAT THE TOTAL CAPACITY RESOURCES AVAILABLE TO SUNFLOWER EQUALS 624MW, WHILE THE MAXIMUM MEMBER LOAD OVER THE LAST FIVE YEARS HAS BEEN 267MW IN 1981. THUS, SUNFLOWER HAS APPROXIMATELY TWICE ITS REQUIRED CAPACITY WITH HOLCOMB ON LINE. IT IS ESTIMATED THAT HOLCOMB'S CAPACITY FACTOR FOR ITS FIRST YEAR OF OPERATION WILL BE 42.5% AS COMPARED WITH A TYPICAL CAPACITY FACTOR OF APPROXIMATELY 65% FOR MOST COAL-FIRED PLANTS.

8. THE ONLY PARTY TO ACTIVELY OPPOSE THE PLACING OF 50% OF THE PLANT IN RATE BASE WAS GARDEN CITY, A CONTRACT CUSTOMER OF WHEATLAND ELECTRIC COOPERATIVE, INC. ITS WITNESSES, WHILE NOT OPPOSING THE DEFERRAL CONCEPT, CONTENDED THAT SUNFLOWER HAD NOT ADEQUATELY SUPPORTED THE PLACING OF 50% OF THE PLANT IN RATE BASE AT THIS TIME. GARDEN CITY ADVOCATED PLACING NONE OF HOLCOMB IN RATE BASE UNTIL SUNFLOWER COULD MORE ADEQUATELY QUANTIFY THE PERCENTAGE OF THE PLANT PRESENTLY NEEDED. DR. YOKELL FURTHER ASSERTED THAT AT MOST 35% RATHER THAN 50% OF HOLCOMB IS NEEDED BY CURRENT RATEPAYERS TO PROVIDE FOR LOWER FUEL COSTS, AND THEREFORE IF ANY OF HOLCOMB WERE TO BE PLACED IN RATE BASE IT SHOULD BE 35% RATHER THAN 50%. IT SHOULD BE NOTED THAT REPRESENTATIVES OF GARDEN CITY APPEARED AT THE SITING HEARINGS IN 1978, AND TESTIFIED STRONGLY IN FAVOR OF THE CONSTRUCTION OF THE HOLCOMB PLANT. EVEN IF THE ORIGINAL $277 MILLION FIGURE WERE USED AS A BASIS OF COMPARISON, WHAT SUNFLOWER PROPOSES TO PLACE INTO RATE BASE AT THIS TIME IS AT LEAST $80 MILLION LESS THAN WHAT GARDEN

DISSENT

LITTLE THOUGHT BY APPLICANT WAS EVER GIVEN TO THE ULTIMATE COST TO RATEPAYERS OR ITS NEGATIVE EFFECTS UPON THE SOUTHWEST KANSAS ECONOMY. IN MY OPINION, THE MAJOR FACTOR WAS INCREASING THE TAX BASE OF FINNEY COUNTY, NOT WHAT THE EFFECTS OF THE EXTREME COST OF ENERGY TO CUSTOMERS WITH RESIDENTIAL AND BUSINESS. NOW THE APPLICANT, WITH THE MAJORITY CONCURRENCE, HAS COMMENCED A NEW SCHEME TO HIDE THE TRUE COSTS TO ALL RATEPAYERS.

ADOPTION OF THE MAJORITY'S PLAN IS ESPECIALLY DECEIVING BECAUSE IT PROMISES A SOLUTION WHICH IS BOTH UNWORKABLE AND INEFFECTIVE. IT WILL CREATE A FALSE SENSE OF SECURITY FOR THE RATEPAYER WHERE NONE EXISTS.

TODAY'S DECISION BY THE MAJORITY REPRESENTS AN APPARENT ABANDONMENT BY THE COMMISSION OF ITS LEGAL RESPONSIBILITIES TO THIS APPLICANT'S MEMBER RATEPAYERS AND CUSTOMERS. ADOPTING APPLICANT'S PROPOSAL TO PLACE PART OF ITS NEWLY CONSTRUCTED BUT NOT YET FULLY OPERATIONAL HOLCOMB PLANT INTO ITS RATE BASE, THE COMMISSION HAS CHOSEN TO REWARD COLOSSAL MANAGEMENT BLUNDERS BY THE TRUSTEES OF SUNFLOWER AND PASS THE COSTS OF THE PATENTLY UNNECESSARY FACILITY TO APPLICANT'S COOPERATIVE MEMBERS AND CONTRACTUAL CUSTOMERS OF GARDEN CITY. AS I SEE NO COMPELLING REASON TO ABANDON SETTLED REGULATORY PRINCIPLES, PRIOR DECISIONS OF THIS COMMISSION, AND THE CLEAR PROVISIONS SET FORTH BY THE KANSAS LEGISLATURE AT K.S.A. 66-101 ET SEQ., I MUST VIGOROUSLY DISSENT.

IT IS NOW OBVIOUS THAT A GREAT MANY OF THE ASSUMPTIONS, PROJECTION RATIONALES, AND ARGUMENTS PRESENTED THIS COMMISSION IN APPLICANT'S SITING PERMIT FOR THE HOLCOMB PLANT, DOCKET NO. 114,010-U, WERE ILL-CONCEIVED, FALSE, AND EVEN DUPLICITOUS. WHAT WAS ONCE REPRESENTED TO BE AN ECONOMIC BOON TO THE ECONOMY OF SOUTHWESTERN KANSAS HAS TRANSFORMED INTO A HUGE "WHITE ELEPHANT" WITH CRUSHING FINANCIAL IMPLICATIONS.

FROM THE EVIDENCE IT IS CLEAR THAT SUBSEQUENT TO OUR REFERENCED SITING PERMIT DECISION (FROM WHICH I DISSENTED) ON OCTOBER 23, 1978, APPLICANT'S MANAGEMENT BECAME AWARE ITS ORIGINAL LOAD GROWTH AND COST PROJECTIONS WERE IN ERROR. NONETHELESS, APPLICANT "...PLUNGED BLINDLY AHEAD...", AS THE MAJORITY NOTES, WITH A SEEMING INDIFFERENCE TO THE REAL CONSEQUENCES OF THEIR DECISION.

APPLICANT'S AVAILABLE TOTAL CAPACITY IS PRESENTLY 624 MW THOUGH THE MAXIMUM MEMBER LOAD OVER THE PAST FIVE YEARS HAS BEEN 267 MW IN 1981. THIS WOULD INDICATE EXCESS CAPACITY OF APPROXIMATELY ONE HUNDRED THIRTY-THREE PERCENT (133%). THAT IS, SIMPLY PUT, APPALLING.

APPLICANT'S PROPOSED "SOLUTION" IS TO DEFER FIFTY PER CENT OF THE PLANT OVER THE NEXT FIVE YEARS WHILE PLACING FIFTY PER CENT PRESENTLY IN RATE BASE. APPLICANT'S RATIONALE IS THAT THE ADDITION OF THE ENTIRE HOLCOMB PLANT WOULD CAUSE RATES TO DOUBLE, DEPRESS THE AGRICULTURAL ECONOMY, AND IMPOSE AN INEQUITY ON TODAY'S MEMBERS FORCING

THEM TO PAY FOR PLANT IN EXCESS OF CURRENT NEEDS. MORE PLAINLY PUT, APPLICANT SEEKS TO CHARGE ONLY WHAT THE TRAFFIC WILL BEAR.

PERSUADED BY APPLICANT'S CASE, THE MAJORITY SEES NO SOLUTION OTHER THAN PLACING PART OF THE UNNEEDED PLANT IN RATE BASE. TO DO OTHERWISE, THE MAJORITY ASSERTS, WOULD BE IRRESPONSIBLE AND IN DERELICTIO OF DUTY. FORECLOSING THE OBVIOUS OPTION AVAILABLE TO APPLICANT, THE MAJORITY FINDS "NO REASON" TO BELIEVE THE REA WOULD FINANCE THE PLANT AND STATES THE REA WOULD EVEN "INSIST" THAT 100% OF THE PLANT BE PLACED IN RATE BASE UPON DEFAULT.

THE MAJORITY HAS, BY THIS ORDER, THROWN ITS HANDS UP AND ANNOUNCED THERE'S NOTHING TO BE DONE. RATHER THAN HOLD APPLICANT TO THE STRICT STANDARD OF PROOF PREVIOUSLY REQUIRED BY THE COMMISSION IN RATE PROCEEDIN SEE KG&E INTERIM DOCKET NO. 117,222-U AND SWB DOCKET NO. 117,220-U. THE MAJORITY INSTEAD PLACES 47% OF THE PLANT IN RATE BASE IN SPITE OF OVERWHELMING AND UNCONTROVERTED EVIDENCE THAT THE PLANT IS NOT NEEDED. PREVIOUSLY, THE COMMISSION REQUIRED A PREPONDERANCE OF EVIDENCE THAT PUBLIC UTILITY PROPERTY PROPOSED FOR RATE BASE INCLUSION BE "...USED OR REQUIRED TO BE USED..." K.S.A. 66-128. THE MAJORITY WOULD NOW CARVE AN EXCEPTION TO THAT STATUTE FOR APPLICANT. K.S.A. 66-128 IS IGNORED AND THE HOLCOMB ADDITION TO RATE BASE IS ACCEPTED FOR TO DO OTHERWISE WOULD BE "...IRRESPONSIBLE..."

THE COMMISSION'S RESPONSIBILITY IS TO SUPERVISE AND CONTROL PUBLIC UTILITIES INCLUDING THIS APPLICANT, AND TO SET RATES THAT ARE JUST AND REASONABLE. SPECULATION AS TO THE CAUSE AND EFFECT OF A POSSIBLE DEFAULT DO NOT NEGATE THAT RESPONSIBILITY. THE REACTIONS OF THE REA TO A PROSPECTIVE DEFAULT BY SUNFLOWER IS IMPOSSIBLE TO DETERMINE. BUT THE DECISION OF THE MAJORITY TO PLACE 47% OF THE COST OF APPLICANT'S UNNEEDED PLANT IN THEIR RATE BASE WILL CREATE AN ONEROUS BURDEN FOR MANY RESIDENTIAL RATEPAYERS.

APPLICANT HAS NOT SHOWN SUBSTANTIAL REPORTS TO RESCHEDULE ITS DEBTS WITH REA WHICH PROMOTED THE HOLCOMB GENERATION FACILITY FROM ITS INCEPTION. APPLICANT SEEKS, AND THE MAJORITY AUTHORIZES BY ITS ORDER, A MORE EXPEDIENT SOLUTION: INTERIM RATE RELIEF FOR A PLANT THAT MAY NEVER BE NEEDED. RATHER THAN "BAIL OUT" APPLICANT'S GROSS MISCALCULATIONS AND FISCAL IRRESPONSIBILITY, I WOULD PERMIT APPLICANT'S MANAGEMENT FAILURES TO RUN THEIR NATURAL COURSE.

this account shall be charged with an amount equal to the related income tax effect, if any, arising from such disposition and account 411.1, Provision For Deferred Income Taxes—Credit, Utility Operating Income, or 411.2, Provision For Deferred Income Taxes—Credit, Other Income and Deductions, as appropriate, shall be credited. When the remaining balance, after consideration of any related tax expenses, is less than $25,000, this account shall be charged and account 411.1 or 411.2, as appropriate, credited with such balance. If after consideration of any related income tax expense, there is a remaining amount of $25,000 or more, the Commission shall authorize or direct how such amount shall be accounted for at the time approval for the disposition of accounting is granted.

When plant is disposed of by transfer to a wholly owned subsidiary, the related balance in this account shall also be transferred. When the disposition relates to retirement of an item or items under a group method of depreciation where there is no tax effect in the year of retirement, no entries are required in this account if it can be determined that the related balance would be necessary to be retained to offset future group item tax deficiencies.

Electric Plant Chart of Accounts

1. INTANGIBLE PLANT

301 Organization.
302 Franchises and consents.
303 Miscellaneous intangible plant.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.
311 Structures and improvements.
312 Boiler plant equipment.
313 Engines and engine-driven generators.
314 Turbogenerator units.
315 Accessory electric equipment.
316 Miscellaneous power plant equipment

B. NUCLEAR PRODUCTION

320 Land and land rights (Major only).
321 Structures and improvements (Major only).
322 Reactor plant equipment (Major only).
323 Turbogenerator units (Major only).
324 Accessory electric equipment (Major only).
325 Miscellaneous power plant equipment (Major only).

C. HYDRAULIC PRODUCTION

330 Land and land rights.
331 Structures and improvements.
332 Reservoirs, dams, and waterways.
333 Water wheels, turbines and generators.
334 Accessory electric equipment.
335 Miscellaneous power plant equipment.
336 Roads, railroads and bridges.

D. OTHER PRODUCTION

340 Land and land rights.
341 Structures and improvements.
342 Fuel holders, producers, and accessories.
343 Prime movers.
344 Generators.
345 Accessory electric equipment.
346 Miscellaneous power plant equipment.

3. TRANSMISSION PLANT

350 Land and land rights.
351 [Reserved]
352 Structures and improvements.
353 Station equipment.
354 Towers and fixtures.
355 Poles and fixtures.
356 Overhead conductors and devices.
357 Underground conduit.
358 Underground conductors and devices.
359 Roads and trails.

4. DISTRIBUTION PLANT

360 Land and land rights.
361 Structures and improvements.
362 Station equipment.
363 Storage battery equipment.
364 Poles, towers and fixtures.
365 Overhead conductors and devices
366 Underground conduit.
367 Underground conductors and devices
368 Line transformers.
369 Services.
370 Meters.
371 Installations on customers' premises
372 Leased property on customers' premises.
373 Street lighting and signal systems.

5. GENERAL PLANT

389 Land and land rights.
390 Structures and improvements.
391 Office furniture and equipment.
392 Transportation equipment.
393 Stores equipment.
394 Tools, shop and garage equipment.
395 Laboratory equipment.
396 Power operated equipment.
397 Communication equipment.
398 Miscellaneous equipment.
399 Other tangible property.

Electric Plant Accounts

301 Organization.

This account shall include all fees paid to federal or state governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership, or other enterprise and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.
2. Fees and expenses for incorporation
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt or expenses in connection with the authorization, issuance or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a state or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, water power license or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 426.5, Other Deductions.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or to account 111, Accumulated Provision for Amortization of Electric Utility Plant (for Nonmajor utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 426.5, Other Deductions, or account 111, Accumulated Provision for Amortization of Electric Utility Plant (for Nonmajor utilities, account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant), as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 7.)

311 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 8.)

NOTE: Include steam production roads and railroads in this account.

312 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.
3. Boiler plant cranes and hoists and associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow-down system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.
7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.
8. Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.
9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.
10. Lighting systems.
11. Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.
12. Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.
13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.
14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313.
15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.
16. Ventilating equipment.
17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
18. Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

NOTE: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for producing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of account 311, Structures and Improvements.

313 Engines and engine-driven generators.

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine-driven main generators, except turbogenerator units.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Circulating pumps, including connections between condensers and intake and discharge tunnels.
4. Cooling system, including towers, pumps, tank, and piping.
5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Engines, reciprocating or rotary.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Generators—Main, a.c. or d.c., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.
11. Governors.
12. Lighting systems.
13. Lubricating systems including gauges, filters, tanks, pumps, piping, motors, etc.
14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping—main exhaust, including connections between generator and condenser and between condenser and hotwell.
16. Piping—main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil system, including accumulators, pumps, piping, motors, etc.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of a structure.
21. Water screens, motors, etc.

314 Turbogenerator units.

This account shall include the cost installed of main turbine-driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen, gas piping and detrainment equipment.
5. Cooling system, including towers, pumps, tanks, and piping.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system, when identified with main generating units.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
14. Piping—main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
17. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23. Moisture separator for turbine steam.
24. Turbine lubricating oil (initial charge).

315 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control

equipment, and connections to auxiliary power bus.

2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.

3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads grounding switch, etc., special housings, protective screens, etc.

4. Station buses including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purposes of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

316 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steam-power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railway cars not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment listed herein is wholly used in connection with equipment included in another account, its cost shall be included in such other account.

320 Land and land rights (Major only).

This account shall include the cost of land and land rights used in connection with nuclear power generation. (See electric plant instruction 7.)

321 Structures and improvements (Major only).

This account shall include the cost in place of structures and improvements used and

useful in connection with nuclear power generation. (See electric plant instruction 8.)

NOTE: Include vapor containers and nuclear production roads and railroads in this account.

322 Reactor plant equipment (Major only).

This account shall include the installed cost of reactors, reactor fuel handling and storage equipment, pressurizing equipment, coolant charging equipment, purification and discharging equipment, radioactive waste treatment and disposal equipment, boilers, steam and feed water piping, reactor and boiler apparatus and accessories and other reactor plant equipment used in the production of steam to be used primarily for generating electricity, including auxiliary superheat boilers and associated equipment in systems which change temperatures or pressure of steam from the reactor system.

ITEMS

1. Auxiliary superheat boilers and associated fuel storage handling preparation and burning equipment, etc. (See account 312 Boiler Plant Equipment, for items, but exclude water supply, water flow lines, and steam lines, as well as other equipment not strictly within the superheat function.)
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drivers.
3. Boilers and heat exchangers.
4. Instruments and devices, including all measuring, indicating, and recording equipment for reactor and boiler plant service together with mountings and supports.
5. Lighting systems.
6. Moderators, such as heavy water, graphite, etc., initial charge.
7. Reactor coolant; primary and secondary systems (initial charge).
8. Radioactive waste treatment and disposal equipment, including tanks, ion exchangers, incinerators, condensers, chimneys, and diluting fans and pumps.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Reactor including shielding, control rods and mechanisms.
11. Reactor fuel handling equipment, including manipulating and extraction tools, underwater viewing equipment, seal cutting and welding equipment, fuel transfer equipment and fuel disassembly machinery.
12. Reactor fuel element failure detection system.
13. Reactor emergency poison container and injection system.
14. Reactor pressurizing and pressure relief equipment, including pressurizing tanks and immersion heaters.
15. Reactor coolant or moderator circulation charging, purification, and discharging equipment, including tanks, pumps, heat exchangers, demineralizers, and storage.
16. Station piping, including pipes, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc., for station piping system, including all-reactor coolant, steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, or air piping.
17. Ventilating equipment.
18. Water purification equipment, including softeners, demineralizers, and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
19. Water supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
20. Reactor plant cranes and hoists, and associated drives.

NOTE: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe lines, or cooling ponds, the cost of such special facilities shall be charged to a subdivision of account 321, Structures and Improvements.

323 Turbogenerator units (Major only).

This account shall include the cost installed of main turbine-driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers, and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen gas piping system and hydrogen detrainment equipment, and bulk hydrogen gas storage equipment.
5. Cooling system, including towers, pumps, tanks and piping.

6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system, when identified with main generating units.
8. Fire extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges filters, water separators, tanks, pumps, piping motors, etc.
13. Mechanical meters, including gauges recording instruments, sampling and testing equipment.
14. Piping—main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc. appurtenant to apparatus listed herein.
17. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23 Moisture separators for turbine steam.
24. Turbine lubricating oil (initial charge).

324 Accessory electric equipment (Major only).

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by nuclear power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

NOTE: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account

325 Miscellaneous power plant equipment (Major only).

This account shall include the cost installed of miscellaneous equipment in and about the nuclear generating

plant devoted to general station use, and which is not properly includible in any of the foregoing nuclear-power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station and site use.
4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not included elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather recording devices, intrasite communication equipment, laboratory equipment, signal systems, callophones emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.
10. Railway cars or special shipping containers not includible elsewhere.
11. Refrigerating systems, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.
14. Station and area radiation monitoring equipment.

NOTE: When any item of equipment listed herein is wholly used in connection with equipment included in another account, its cost shall be included in such other account.

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 7.) For Major utilities, it shall also include the cost of land and land rights used in connection with (1) the conservation of fish and wildlife, and (2) recreation. Separate subaccounts shall be maintained for each of the above.

331 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 8.) For Major utilities, it shall also include the cost in place of structures and improvements used in connection with (1) the conservation of fish and wildlife, and (2) recreation. Separate subaccounts shall be maintained for each of the above.

332 Reservoirs, dams, and waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity. For Major utilities, it shall also include the cost in place of facilities used in connection with (a) the conservation of fish and wildlife, and (b) recreation. Separate subaccounts shall be maintained for each of the above. (See electric plant instruction 8C.)

ITEMS

1. Bridges and culverts (when not a part of roads or railroads).
2. Clearing and preparing land.
3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.
4. Dikes and embankments.
5. Electric system, including conductors control system, transformers, lighting fixtures, etc.
6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material.
7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.
9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.
10. Power line wholly identified with items included herein.
11. Retaining walls.
12. Water conductors and accessories, including canals, tunnels, flumes, penstocks pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, waterhammer and surge tanks, and supporting trestles and structures.
13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels,

regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333 Water wheels, turbines and generators.

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tailrace) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, a.c. or d.c., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.
8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.
9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.
10. Mechanical meters and recording instruments.
11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.
12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.
14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.
4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.
5. Station control system, including station switchboards with panel wiring panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trucktype boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering,

conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts. For Major utilities, it shall also include the cost of equipment used in connection with (a) the conservation of fish and wildlife, and (b) recreation. Separate subaccounts shall be maintained for each of the above.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

336 Roads, railroads and bridges.

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

ITEMS

1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

NOTE A: Roads intended primarily for connecting employees' houses with the powerplant, and roads used primarily in connection with fish and wildlife, and recreation activities, shall not be included herein but in account 331, Structures and Improvements.

NOTE B: The cost of temporary roads, bridges, etc. necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 7.)

341 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 8.)

342 Fuel holders, producers, and accessories.

This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343 Prime movers.

This account shall include the cost installed of Diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, Diesel, gasoline, gas, or other internal combustion.
6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems.
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling, and testing equipment.
13. Mufflers.
14. Piping.
15. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antifluctuators, etc.

344 Generators.

This account shall include the cost installed of Diesel or other power driven main generators.

ITEMS

1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, a.c. or d.c., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

NOTE: If prime movers and generators are so integrated that it is not practical to classify them separately, the entire unit may be included in account 344, Generators.

345 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter

bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.

3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.

4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunktype boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

5. Station buses, including main, auxiliary transfer, synchronizing and fault ground buses, including oil curcuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the other power generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.

2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.

3. Fire-extinguishing equipment for general station use.

4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.

5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.

6. Miscellaneous belts, pulleys, countershafts, etc.

7. Refrigerating system including compressors, pumps, cooling coils, etc.

8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.

9. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

350 Land and land rights.

This account shall include the cost of land and land rights used in connection with transmission operations. (See electric plant instruction 7.)

351 [Reserved]

352 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See electric plant instruction 8.)

353 Station equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

ECONOMIC DEVELOPMENT REVENUE BONDS

Cross References to Related Sections:
Industrial and economic development bonds, see 12-3801 et seq.

Law Review and Bar Journal References:
"Urban Revitalization: Planning for the Future in Our Cities," Lester D. Mardiks, 21 W.L.J. 116, 124 (1981).
"Survey of Kansas Law: Taxation," Sandra Craig McKenzie and Virginia Ratzlaff, 33 K.L.R. 71, 81 (1984).
"Spurring Economic Development in Kansas Through Property Tax Exemptions Are We Getting the Results We Want?", Laura Ellen Johnson, 30 W.L.J. 82, 84 (1990).

12-1740. Purpose of act; revenue bonds. It is the purpose of this act to promote, stimulate and develop the general welfare and economic prosperity of the state of Kansas through the promotion and advancement of physical and mental health, industrial, commercial, agricultural, natural resources and of recreational development in the state; to encourage and assist in the location of new business and industry in this state and the expansion, relocation or retention of existing business, industry and health development; and to promote the economic stability of the state by providing greater employment opportunities, diversification of industry and improved physical and mental health, thus promoting the general welfare of the citizens of this state by authorizing all cities and counties of the state to issue revenue bonds, the proceeds of which shall be used for the purpose of paying all or part of the cost of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes and to enter into leases or lease-purchase agreements with any person, firm or corporation for such facilities. For the purpose of this act, the term facility shall include a site and the necessary site preparation, structures, easements, rights-of-way and appurtenances necessary and convenient to the particular type of facility being financed.

History: L. 1961, ch. 81, § 1; L. 1969, ch. 85, § 1; L. 1981, ch. 74, § 1; July 1.

Cross References to Related Sections:
Levy for securing industries, see 12-1617h, 12-1617i.
Certain promotion funds, see 12-825d, 12-825g.

Law Review and Bar Journal References:
Survey of Kansas law, Edward Larson, 10 K.L.R. 158 (1961).
"Municipal Borrowing in Kansas," Fred W. Rausch, Jr., 10 K.L.R. 520 (1962).
Survey of constitutional and administrative law, Glenn E. Opie, 12 K.L.R. 146 (1963).
Survey of law of municipal corporations, Albert B. Martin, 12 K.L.R. 289 (1963).
"A Guide to Industrial Revenue Bond Financing," Donald A. Bell and Winton M. Hinkle, 9 W.L.J. 372, 376 (1970).
Constitutionality of ten year industrial revenue bond property taxation provision of K.S.A. 79-201a, 24 K.L.R. 723, 724 (1976).

Attorney General's Opinions:
Cities and municipalities buildings, structures and grounds industrial revenue bonds. 81-4.
Investment of funds received from industrial revenue bonds. 81-117.
Tax exempt property; property constructed or purchased with industrial revenue bond proceeds. 82-234.
Buildings, structures and grounds; issuance of revenue bonds by counties. 85-28.
Cities and municipalities; powers and duties; conveying real property for use as federal prison site; home rule powers. 87-164.
County commissioners; general fund tax levies; limitations on use. 88-65.
Home rule powers of cities and counties; bond issuance. 88-92.

CASE ANNOTATIONS

1. Act does not contravene various provisions of Kansas constitution and bill of rights. State, ex rel., v. City of Pittsburg, 188 K. 612, 613, 614, 615, 619, 620, 621, 364 P.2d 71.
2. City ordinance to implement issuance of bonds administrative in character; not subject to initiative and referendum. Rauh v. City of Hutchinson, 223 K. 514, 515, 517, 520, 521, 575 P.2d 517.
3. Act constitutionally valid; any entity may become lessee of IRB property as long as purpose of act served. State ex rel. Tomasic v. City of Kansas City, 237 K. 572, 581, 701 P.2d 1314 (1985).
4. Lease-purchase agreement under act not complete sale; filing requirements of UCC (article 9) inapplicable. In re Petition of City of Moran, 238 K. 513, 520, 522, 713 P.2d 451 (1986).
5. Leases under act true leases, not mortgages, and therefore subject to assumption/rejection requirements of bankruptcy code. In re Petroleum Products, Inc., 72 B.R. 739, 740, 747 (1987).
6. Lease agreement entered into pursuant to act does not create a mortgage. Bank of Alton v. Tanaka, 247 K. 443, 449, 799 P.2d 1029 (1990).

12-1740a. Use of eminent domain power. No city or county shall exercise its power of eminent domain to acquire property as a site for a facility which is to be financed by revenue bonds issued pursuant to K.S.A. 12-1740 *et seq.*, and amendments thereto. Nothing in this section shall be construed to prohibit a city from issuing revenue bonds for the purpose of paying all or a part of the cost of constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities located on property acquired by the exercise of eminent domain under the provisions of K.S.A. 12-1770 *et seq.*, and amendments thereto.

thereto, optometry services by a person licensed by the board of examiners in optometry pursuant to K.S.A. 65-1501 *et seq.*, and amendments thereto, or K.S.A. 74-1501 *et seq.*, and amendments thereto or podiatry services by a person licensed by the board of healing arts pursuant to K.S.A. 65-2001 *et seq.*, and amendments thereto, shall be construed to be a governmental function, and such property actually and regularly used for such purpose shall be deemed to be used exclusively for the purposes of this paragraph. The lease by a municipality or political subdivision of the state of any real property, or portion thereof, owned or being acquired pursuant to a lease-purchase agreement to any entity for the exclusive use by it for an exempt purpose, including the purpose of displaying or exhibiting personal property by a museum or historical society, if no portion of the lease payments include compensation for return on the investment in such leased property shall be deemed to be used exclusively for the purposes of this paragraph. All property leased, other than property being acquired pursuant to a lease-purchase agreement, to the state or any municipality or political subdivision of the state by any private entity shall not be considered to be used exclusively by the state or any municipality or political subdivision of the state for the purposes of this section except that the provisions of this sentence shall not apply to any such property subject to lease on the effective date of this act until the term of such lease expires but property taxes levied upon any such property prior to tax year 1989, shall not be abated or refunded. Any property constructed or purchased with the proceeds of industrial revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 12-1740 to 12-1749, or purchased with proceeds of improvement district bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-2776, or with proceeds of bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-3815a and 19-3815b, or any property improved, purchased, constructed, reconstructed or repaired with the proceeds of revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 13-1238 to 13-1245, inclusive, or any property improved, reimproved, reconstructed or repaired with the proceeds of revenue bonds issued after July 1, 1963, under the authority of K.S.A. 13-1238 to 13-1245, inclusive, which had previously been improved, reconstructed or repaired with the proceeds of revenue bonds issued under such act on or before July 1, 1963, shall be exempt from taxation for so long as any of the revenue bonds issued to finance such construction, reconstruction, improvement, repair or purchase shall be outstanding and unpaid. Any property constructed or purchased with the proceeds of any revenue bonds authorized by K.S.A. 13-1238 to 13-1245, inclusive, 19-2776, 19-3815a and 19-3815b, and amendments thereto, issued on or after July 1, 1963, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Any property, all or any portion of which is constructed or purchased with the proceeds of revenue bonds authorized by K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, issued on or after July 1, 1963 and prior to July 1, 1981, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased wholly with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, shall be exempt from taxation to the extent of the value of that portion of the property financed by the revenue bonds and only for a period of 10 calendar years after the calendar year in which the bonds were issued. The exemption of that portion of the property constructed or purchased with the proceeds of revenue bonds shall terminate upon the failure to pay all taxes levied on that portion of the property which is not exempt and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 *et seq.*, and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of revenue bonds issued on or after January 1, 1995, under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, and used in any retail enterprise identified under the standard industrial classification codes, major groups 52 through 59, inclusive, except facilities used exclusively to house the headquarters or back office operations of such retail enterprises identified thereunder, shall not be exempt from taxation. For the pur-

eq. to be special taxes. Southeast Kansas Landowners
n v. Kansas Turnpike Auth., 224 K. 357, 371, 582
1123.

11. Taxation of incomes; adoption of eral laws by reference. In enacting any law ler section 2 of this article 11, the legisla- e may at any regular, budget or special ses- n define income by reference to or erwise adopt by reference all or any part the laws of the United States as they then st, and, prospectively, as they may there- er be amended or enacted, with such ex- ptions, additions or modifications as the gislature may determine then or thereafter any such legislative sessions.

History: L. 1966, ch. 14—Spec. Sess.; ov. 8, 1966.

oss References to Related Sections:

Taxation of income, see § 2 of this article.

CASE ANNOTATIONS

1. Mentioned in holding that 79-3290 does not consti- e an unlawful delegation of legislative power. Missouri cific Railroad Co. v. McDonald, 207 K. 744, 747, 486 2d 1347. Affirmed: 208 K. 479, 493 P.2d 280.

§ 12. Assessment and taxation of land de- ted to agricultural use. Land devoted to ag- cultural use may be defined by law and alued for ad valorem tax purposes upon the asis of its agricultural income or agricultural roductivity, actual or potential, and when so alued such land shall be assessed at the same ercent of value and taxed at the same rate as eal property subject to the provisions of sec- ion 1 of this article. The legislature may, if nd devoted to agricultural use changes from uch use, provide for the recoupment of a part r all of the difference between the amount of he ad valorem taxes levied upon such land luring a part or all of the period in which it vas valued in accordance with the provisions f this section and the amount of ad valorem axes which would have been levied upon such and during such period had it not been in gricultural use and had it been valued, as- essed and taxed in accordance with section 1 f this article.

History: L. 1975, ch. 516, § 1; Nov. 2, 1976.

Law Review and Bar Journal References:

"Differential Assessment of Agricultural Land in Kansas: A Discussion and Proposal," 25 K.L.R. 215, 230 (1977).

"Comprehensive Land Use Control Through Differential Assessment and Supplemental Regulation," Clarence J. Malone and Mark Ayesh, 18 W.L.J. 432, 445, 453 (1979).

"The Kansas Property Tax: Understanding and Surviving Reappraisal," P. John Brady, Brian T. Howes and Greg L. Musil, 57(3) J.K.B.A. 23, 24 (1988).

Attorney General's Opinions:

Valuation based on agricultural income or productivity. 85-135.

§ 13. Exemption of property for economic development purposes; procedure; limitations. (a) The board of county commissioners of any county or the governing body of any city may, by resolution or ordinance, as the case requires, exempt from all ad valorem taxation all or any portion of the appraised valuation of: (1) All buildings, together with the land upon which such buildings are located, and all tangible personal property associated therewith used exclusively by a business for the purpose of: (A) Manufacturing articles of commerce; (B) conducting research and development; or (C) storing goods or commodities which are sold or traded in interstate commerce, which commences operations after the date on which this amendment is approved by the electors of this state; or (2) all buildings, or added improvements to buildings constructed after the date on which this amendment is approved by the electors of this state, together with the land upon which such buildings or added improvements are located, and all tangible personal property purchased after such date and associated therewith, used exclusively for the purpose of: (A) Manufacturing articles of commerce; (B) conducting research and development; or (C) storing goods or commodities which are sold or traded in interstate commerce, which is necessary to facilitate the expansion of any such existing business if, as a result of such expansion, new employment is created.

(b) Any ad valorem tax exemption granted pursuant to subsection (a) shall be in effect for not more than 10 calendar years after the calendar year in which the business commences its operations or the calendar year in which expansion of an existing business is completed, as the case requires.

(c) The legislature may limit or prohibit the application of this section by enactment uniformly applicable to all cities or counties.

(d) The provisions of this section shall not be construed to affect exemptions of property from ad valorem taxation granted by this constitution or by enactment of the legislature, or to affect the authority of the legislature to enact additional exemptions of property from ad va-

11. V[illegible] of bill reapportioning house and senate districts upheld; formal opinion to follow. In re House Bill No. 3083, 251 K. 595, 833 P.2d 1017 (per curiam); 251 K. 597, 598, 836 P.2d 574 (1992).

Article 11.—FINANCE AND TAXATION

Law Review and Bar Journal References:

"Survey of Kansas Law: Taxation," Sandra Craig McKenzie and Eric B. Milstead, 37 K.L.R. 961, 964 (1989).

§ 1. System of taxation; classification; exemption (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, 1993, and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The legislature may provide for the classification and the taxation uniformly as to class of recreational vehicles, as defined by the legislature, or may exempt such class from property taxation and impose taxes upon another basis in lieu thereof. The provisions of this subsection shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

Class 1 shall consist of real property. Real property shall be further classified into seven subclasses. Such property shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of value:

(1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located 11½%

(2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to section 12 of article 11 of the constitution 30%

(3) Vacant lots 12%

(4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to section 501 of the federal internal revenue code, and which is included in this subclass by law 12%

(5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed 33%

(6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use 25%

(7) All other urban and rural real property not otherwise specifically subclassified 30%

Class 2 shall consist of tangible personal property. Such tangible personal property shall be further classified into six subclasses, shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of value:

(1) Mobile homes used for residential purposes 11½%

(2) Mineral leasehold interests except oil leasehold interests the average daily production from which is five barrels or less, and natural gas leasehold interests the average daily production from which is 100 mcf or less, which shall be assessed at 25% 30%

(3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed 33%

(4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985 ..... 30%

(5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail

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cost when new less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property 25%

(6) All other tangible personal property not otherwise specifically classified 30%

(b) All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

History: Adopted by Convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 62; L. 1923, ch. 255, § 1; L. 1963, ch. 459, § 1; L. 1974, ch. 460, § 1; L. 1985, ch. 364, § 1; L. 1992, ch. 342, § 1; Nov. 3, 1992.

Law Review and Bar Journal References:

"Reappraisal—How Long Will It Last," Bruce Landeck, 58 J.K.B.A. No. 1, 15, 18 (1989).

"Liberalizing Kansas Real Property Tax Exemptions: The 1988 Legislation," Joan M. Bowen, 37 K.L.R. 597, 615, 639 (1989).

"Kansas Property Classification and Reappraisal: The 1986 Constitutional Amendment and Statutory Modifications," Nancy Ogle, 29 W.L.J. 26 (1989).

"Spurring Economic Development in Kansas Through Property Tax Exemptions—Are We Getting the Results We Want?" Laura Ellen Johnson, 30 W.L.J. 82, 83 (1990).

"Survey of Kansas Law: Taxation," Sandra Craig McKenzie, 41 K.L.R. 727, 735 (1993).

"Tax Law: Braum, a Valuable Tax Crop [Board of County Commissioners v. Smith, 857 P.2d 1386 (Kan. Ct. App. 1993)]," Nels P. Noel, 34 W.L.J. 381, 388 (1995).

Attorney General's Opinions:

Exemption of property for economic development; exclusive use requirement. 88-123.

Shawnee county fair association—tax levy, protest petition and election. 88-136.

Statewide reappraisal of farm land; methods of establishing valuations. 88-144.

Tax exempt property; machinery and equipment of electric utility company. 88-158.

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Coal and gas of public utility; system of taxation; classification; exemption. 89-85.

Statewide reappraisal of real property; CRP land. 89-144.

Taxation; classification. 89-145.

Extending deadline for property tax payment; equal protection. 89-146.

Property exempt from taxation; merchants' and manufacturers' inventory. 89-148.

Classification; excise tax on inventories. 89-150.

Classification of property; constitutionality. 90-10.

County planning and zoning; agricultural purposes; greyhound operations. 90-68.

Change in property valuation for tax purposes. 90-82.

System of taxation; classification; exemptions; uniform and equal provisions of constitution. 91-71.

Community colleges; boards of trustees; powers and duties; political campaign posters and signs on campus. 91-112.

Taxation; classification; uniform and equal requirement on state assessed taxes. 91-147.

Taxation; extent of classification for 501 organizations. 93-17.

Water pollution act; stormwater utility fee; state-owned and operated facility. 93-32.

Public utilities; definition; constitutionality of excluding certain telephone companies. 93-142.

Contracts for assistance in collecting property taxes. 94-8.

Property taxation; classification; commercial and industrial machinery and equipment not in use. 94-52.

Property tax obligation release; escaped personal property; constitutionality. 94-79.

Property tax accumulated interest amnesty program in Wyandotte county; uniform operation of law; constitutionality. 94-89.

Taxation classification; recreational vehicles; application to houseboats. 95-18.

Classification and valuation of machinery and equipment; "used factor"; ownership by not-for-profit organizations. 95-99.

Beds, sheets and forks, valued and taxed as commercial and industrial machinery and equipment. 96-41.

Constitutional exemption from property taxation for farm machinery and equipment does not require that property be exclusively used for farming. 97-11.

Classification of property as commercial and industrial machinery and equipment; personal property in process of construction and installation. 97-97.

"Public utility" defined for the purpose of property tax classification. 1999-21.

CASE ANNOTATIONS

197. Cited; allegations regarding illegal or void valuations or assessments of real property prohibited before exhausting administrative remedies examined. Board of Osage County Commr's v. Schmidt, 12 K.A.2d 812, 813, 758 P.2d 254 (1988).

198. Cited; tax exempt status of publicly owned property leased to private business and unavailable to general public examined. Salina Airport Authority v. Board of Tax Appeals, 13 K.A.2d 80, 83, 761 P.2d 1261 (1988).

199. County appraiser authorized (79-1461) to scrutinize and revalue taxpayer's filed inventory statement to fair market value. In re Tax Appeal of Wichita Bldg. Material Co., 14 K.A.2d 39, 779 P.2d 875 (1989).

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amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the taxpayer may carry over the amount thereof that exceeds such tax liability for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the year in which the costs are incurred.

(c) The provisions of this section shall be applicable to all taxable years commencing after December 31, 1997.

(d) On or before the first day of the 1999, 2000 and 2001 regular legislative sessions, the secretary of revenue shall submit to the senate standing committee on energy and natural resources, the house standing committee on environment, the senate standing committee on assessment and taxation and the house standing committee on taxation a report of the number of taxpayers claiming the credit allowed by this section and the total amount of such credits claimed by all taxpayers.

History: L. 1998, ch. 143, § 28; May 7.

79-32,205. Earned income tax credit. (a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 10% for tax year 1998, and all tax years thereafter, of the amount of the earned income credit allowed against such taxpayer's federal income tax liability pursuant to section 32 of the federal internal revenue code for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) If the amount of the credit allowed by subsection (a) exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

(c) The provisions of this section shall be applicable to all taxable years commencing after December 31, 1997.

History: L. 1998, ch. 130, § 22; July 1.

79-32,206. Credit for property tax paid on commercial and industrial machinery and equipment. For all taxable years commencing after December 31, 1997, there shall be allowed as a credit against the tax liability of a taxpayer imposed under the Kansas income tax act, the premiums tax upon insurance companies imposed pursuant to K.S.A. 40-252, and amendments thereto, and the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, an amount equal to 15% of the property tax levied for property tax year 1998, and all such years thereafter, actually and timely paid during an income or privilege taxable year upon commercial and industrial machinery and equipment classified for property taxation purposes pursuant to section 1 of article 11 of the Kansas constitution in subclass (5) or (6) of class 2 and machinery and equipment classified for such purposes in subclass (2) of class 2. If the amount of such tax credit exceeds the taxpayer's income tax liability for the taxable year, the amount thereof which exceeds such tax liability shall be refunded to the taxpayer. If the taxpayer is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability company, the credit provided by this section shall be claimed by the shareholders of such corporation, the partners of such partnership or the members of such limited liability company in the same manner as such shareholders, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability company.

History: L. 1998, ch. 130, § 23; July 1.

79-32,207. Tax credit for plugging abandoned oil or gas well. (a) As used in this section, "abandoned oil or gas well" means an abandoned well, as defined by K.S.A. 2000 Supp. 55-191 and amendments thereto:

(1) The drilling of which was commenced before January 1, 1970; and

(2) which is located on land owned by the taxpayer claiming the tax credit allowed by this section.

(b) For any taxable year commencing after December 31, 1997, and before January 1, 2001, a credit shall be allowed against the tax imposed by the Kansas income tax act on the Kansas taxable income of a taxpayer for expenditures made for the purpose of plugging any abandoned oil or gas well in accordance with rules and regulations of the state corporation commission applicable thereto, in an amount equal to 50% of such expenditures made in the taxable year.

(c) If the amount of the tax credit allowed by this section exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried

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Proposed merchant capacity soars

Washington, D.C.

The total amount of planned capacity additions announced by merchant power plant developers has skyrocketed in less than two years, evidence that competitive power suppliers are aggressively responding to market demands for generation adequacy and greater system reliability according to numbers released by the Electric Power Supply Association (EPSA).

"Not only are competitive power suppliers investing significant capital in regions of the country where capacity reserve margins are the tightest, there also is evidence that they are expediting their developments in order to accommodate the immediate and growing needs of power customers," said EPSA executive director Lynne Church.

Merchant plants—generating stations financed by investors willing to accept market risks associated with start-up and operation—differ from regulated power facilities in two major aspects: Merchant plants receive no guaranteed rate of return, and they typically do not have long-term sales contracts.

According to EPSA's announced merchant plant database, planned capacity additions from competitive power suppliers now total more than 250,000 MW, a drastic increase from the 121,733 MW announced as of October 1999, and more than quadruple the 56,500 MW that had been announced the previous October.

The contribution of merchant power developers to the industry has been cited by the North American Electric Reliability Council (NERC), which noted that "near-term reliability is dependent on merchant capacity additions."

"More than half of the announced generation [as of June 2000] will be needed to keep pace with demand growth in the next two years," according to NERC's 10-year reliability assessment. "Without the announced new generation capacity, capacity margins could be dangerously low, challenging the ability of the bulk electric supply systems in the Eastern Interconnection to respond to higher-than-projected customer demand caused by extreme weather and unexpected equipment shutdowns or outages."

Planned capacity additions from competitive power suppliers now total more than 250,000 MW.

"It also continues to be the case, however, that merchant developers will focus their attention on those regions of the country where they have access to, or are likely to have access to, open retail and dependable wholesale markets," Church said. "Unfortunately, much of the country is still likely to face reliability challenges in the years ahead due to a lack of generation investment—investment that will only come when power suppliers are truly given a green light to compete in those states." ■

Copies of EPSA's merchant plant matrix are available by contacting Samantha Slater, manager of state and regional affairs for EPSA, who can be reached via phone (202/789-7200), fax (202/789-7201) or e-mail (sslater@epsa.org).

Announced merchant plants (ordered by state) ...continued on page 18

State	Parent company	MW	City	NERC region
AK	Marlow Power & Steam Inc.	3	Anchorage	
AL	Calpine Corp.	660	Decatur	SERC
AL	Calpine Corp.	700	Decatur	SERC
AL	Calpine Corp.	700	Tallapoosa County	SERC
AL	Calpine Corp., Coral Energy	250	Mobile	SERC
AL	Cogentrix Energy	800	Bissell County	SERC
AL	GenPower Inc. LLC	600	Dickinson	SERC
AL	Southeastern Electric Development	100	Smiths	SERC
AL	Southern Co.	185	Mobile	SERC
AL	Tenaska Diamond LP	848	Autauga County	SERC
AL	Tenaska Inc.	900	Billingsley	SERC
AR	Arkansas Electric Cooperative Corp.	153	Fulton	SPP
AR	Duke Energy North America	620	Hot Springs County	SERC
AR	Panda Energy Int'l, TECO Power Services	2200	El Dorado	SERC
AR	SkyGen Energy, Coral Energy	225	Pine Bluff	SERC
AR	Southern Energy Inc., Kinder-Morgan Power Corp.	550	Wrightsville	SERC
AR	TECO Power Services	599	Keo	SERC
AR	Tenaska Inc.	1700	Lonoke	SERC
AZ	Allegheny Energy Supply Company LLC	1080	La Paz County	WSCC
AZ	Calpine Corp.	540	Bullhead City	WSCC
AZ	Calpine Corp., Pinnacle West Capital	500	Phoenix	WSCC
AZ	Duke Energy North America	500	Buckeye	WSCC
AZ	Duke Energy North America, PP&L Global Inc.	595	Kingman	WSCC
AZ	Dynegy Inc. NSP, SRP	725	Phoenix	WSCC
AZ	IPT, Power Development, Investment Banker Group	750	Gila Bend	WSCC
AZ	Panda Energy Int'l, TECO Power Services	2350	Gila Bend	WSCC
AZ	PG&E National Energy Group	1000	Harquahala Valley	WSCC
AZ	Pinnacle West Energy	120	Phoenix	WSCC
AZ	Pinnacle West Energy	530	Phoenix	WSCC
AZ	Pinnacle West Energy	2120	Phoenix	WSCC
AZ	PPL Global	600	Pinal County	WSCC
AZ	Reliant Energy Inc.	500	Casa Grande	WSCC
AZ	Sempra Energy Resources	1000	Maricopa County	WSCC
AZ	Southwestern Power Group II	2000	Pinal County	WSCC
CA	AES Corp.	540	Mojave	WSCC
CA	AES Corp.	700	Los Angeles County	WSCC
CA	AES Corp.	1000	Kern County	WSCC
CA	Bock Energy	300	Livingston	WSCC
CA	Calpine Corp.	500	Contra Costa County	WSCC
CA	Calpine Corp.	500	San Diego County	WSCC
CA	Calpine Corp.	510	Sutter County	WSCC
CA	Calpine Corp.	1100	Alameda County	WSCC
CA	Calpine Corp., Adair Int'l Oil & Gas	600	Riverside County	WSCC
CA	Calpine Corp., Bechtel Enterprises	562	Santa Clara County	WSCC
CA	Calpine Corp., Bechtel Enterprises	880	Contra Costa County	WSCC
CA	Constellation Power Source, Inc., InlandEnergy	750	San Bernardino County	WSCC
CA	Duke Energy North America	530	San Luis Obispo County	WSCC
CA	Duke Energy North America	1060	Monterey County	WSCC
CA	Edison Mission Energy	880	Kern County	WSCC
CA	Edison Mission, Aera Energy LLC	500	Kern County	WSCC
CA	El Paso Merchant Energy	51	San Mateo County	WSCC
CA	El Paso Merchant Energy	570	San Mateo County	WSCC
CA	Enron Capital & Trade, Tejon Ranch Co.	750	Kern County	WSCC
CA	Enron Corp.	500	Los Angeles County	WSCC
CA	GPU Solar, Real Goods	1	Hopland	WSCC
CA	Ogden Power Pacific	500	Shasta County	WSCC
CA	PG&E National Energy Group	45	San Diego County	WSCC
CA	PG&E National Energy Group	1140	Kern County	WSCC
CA	Sempra Energy Resources	500	Kern County	WSCC
CA	Southern Energy Inc.	830	Contra Costa County	WSCC
CA	Southern Energy Inc.	540	Butler County	WSCC
CA	Sunlaw Cogeneration	500	Los Angeles County	WSCC
CA	Sunlaw Energy	32	Vernon	WSCC
CA	Thermo Ecotek	1034	San Bernardino County	WSCC
CA	WindVest (Summit Energy Group)	570	Riverside County	WSCC
CO	Black Hills Energy Capital	30	Denver	WSCC
CO	Black Hills Energy Capital	150	Denver	WSCC
CO	Citizens Power	90	Nida	WSCC
CO	Enron North America	210	Colorado Springs	WSCC
CO	Front Range Power	472	Colorado Springs	WSCC
CT	AES Corp.	320	Southington	NPCC
CT	AES Corp.	700	Haddam	NPCC
CT	Calpine Corp.	500	Oxford	NPCC
CT	Duke Energy Power Services, United Illuminating	700	Bridgeport	NPCC
CT	PG&E National Energy Group	802	Killingly	NPCC
CT	Power Development Co., El Paso	544	Milford	NPCC
CT	Power Development Co., El Paso Energy	520	Meriden-Berlin	NPCC
CT	PPL Global	250	Wallingford	NPCC
DE	Amerada Hess Corp.	88	Dover	MAAC
DE	Conectiv Energy Supply	500	Wilmington	MAAC
FL	Calpine Corp.	200	Pace	FRCC
FL	Calpine Corp.	827	Auburndale	FRCC
FL	Calpine Corp.	1080	Indian River County	FRCC
FL	Constellation Power Source	850	Cocoa	FRCC
FL	Decker Energy Int'l	500	Forte Meade	FRCC
FL	Decker Energy Int'l	500	Port St. Lucie	FRCC
FL	Duke Energy	514	New Smyrna Beach	FRCC
FL	Duke Energy	608	St. Lucie County	FRCC
FL	Dynegy Inc.	500	Osceola County	FRCC
FL	El Paso Energy	74	Polk County	FRCC
FL	El Paso Energy	110	Polk County	FRCC
FL	Enron North America	510	Pompano Beach	FRCC
FL	IPS/Avon Park	680	Hardee County	FRCC
FL	NRG Energy	510	Hardee County	FRCC
FL	Panda Energy Int'l	1000	St. Lucie County	FRCC
FL	Panda Energy Int'l	1000	Lake County	FRCC
FL	PG&E National Energy Group	550	Okeechobee	FRCC
FL	Reliant Energy Inc.	460	Kissimmee	FRCC
FL	Reliant Energy Inc.	819	Orlando	FRCC
FL	Southern Company Generation, OUC, KUA, FMPA	632	Orange County	FRCC
FL	Thermo Ecotek	340	Palm Beach County	FRCC
GA	Carolina Power & Light	320	Monroe	SERC
GA	CP&L Energy Inc.	180	Monroe	SERC
GA	CP&L Energy Inc.	180	Monroe	SERC
GA	CP&L Energy Inc.	525	Effingham County	SERC
GA	Dynegy Inc.	500	Jacksonville	SERC
GA	Dynegy Inc.	500	Franklin	SERC
GA	Grady & Three Notch Cooperatives, Coral Energy	200	Mitchell County	SERC
GA	LG&E Power Services Inc.	450	Monroe	SERC
GA	Sonat Energy Services	880	Columbus	SERC
GA	Southern Co.	400	Jackson County	SERC
GA	Tenaska Diamond LP	938	Heard County	SERC
IA	Louisa Development Co. LLC	800	Louisa County	MAPP
IA	Underwood Development Co. LLC	600	Washington County	MAPP
ID	Cogentrix Energy, Avista Power Inc.	228	Rathdrum	WSCC
IL	ABB Energy Ventures	1500	Village of Bartlett	MAIN
IL	Allegheny Energy Supply Company LLC	850	Manhattan	MAIN
IL	Allient Energy Resources Inc., Corn Products Int'l	750	Bedford	MAIN
IL	Ameren Corp.	574	Fairview City	MAIN
IL	Ameren Corp.	704	Pinckneyville	MAIN
IL	AmerenEnergy Resources	468	Elgin	MAIN
IL	Coastal Power Co.	390	Kane County	MAIN
IL	Constellation Power Source	300	University Park	MAIN
IL	Constellation Power Source	650	Holland Township	MAIN
IL	Dominion Energy, Peoples Energy	1200	Elwood	MAIN
IL	Duke Energy Power Services	640	Lee County	MAIN
IL	Dynegy Inc., NRG Energy Inc.	360	East Dundee	MAIN
IL	Enron Corp., Peoples Energy	245	Chicago	MAIN
IL	Entergy Power Generation	600	Clay County	MAIN
IL	EnviroPower LLC	500	Franklin County	MAIN
IL	Holland Energy LLC (Constellation Power Source)	650	Holland Township	MAIN
IL	Indeck Energy Services	300	Libertyville	MAIN
IL	Indeck Energy Services	300	McHenry County	MAIN
IL	Indeck Energy Services	700	Bourbonnais	MAIN
IL	NRG Energy	1168	Kendall County	MAIN
IL	NRG Energy	1168	Nelson	MAIN
IL	Panda Energy Int'l	1070	Jefferson County	MAIN
IL	PSEG Power LLC	500	Sidney	MAIN
IL	Reliant Energy	328	Williamson County	MAIN
IL	Reliant Energy	1020	Aurora	MAIN
IL	Reliant Energy Inc.	340	Shelby County	MAIN
IL	Reliant Energy Inc.	634	Roxana	MAIN
IN	Acadia Bay	90	South Bend	ECAR
IN	Acadia Bay	520	South Bend	ECAR
IN	Allegheny Energy Supply Co. LLC	508	Wheatland	ECAR
IN	Calpine Corp.	500	Mt. Vernon	ECAR
IN	Cogentrix Energy	800	Bedford	ECAR
IN	DPL Energy	400	Grant County	ECAR
IN	DPL Energy	400	Wells County	ECAR
IN	DTE Energy Services, CMS Energy	200	Indianapolis	ECAR
IN	Duke Energy North America	620	Vigo County	ECAR
IN	Duke Energy North America	640	Knox County	ECAR
IN	Duke Energy North America/Cinergy Capital & Trade	132	Cadiz	ECAR
IN	Duke Energy North America/Cinergy Capital & Trade	640	Vermillion County	ECAR
IN	EnviroPower LLC, AEI Resources	500	Sullivan County	ECAR
IN	NISource	525	Whiting	ECAR
IN	PSEG Power LLC	180	Morristown	ECAR
IN	PSEG Power LLC	1150	Lawrenceburg	ECAR
IN	SkyGen Energy	825	Posey County	ECAR
IN	Southern Co.	550	Hammond	ECAR
IN	Southern Energy Inc.	300	Vigo County	ECAR
IN	Spark Energy	500	Putnam County	ECAR
IN	Tenaska Inc.	1800	Pike County	ECAR
IN	Williams Energy Marketing & Trade	270	Sullivan County	ECAR
IN	Worthington Generation (The Williams Companies)	170	Worthington	ECAR
KY	Calla Energy Partners	85	Estill County	ECAR
KY	Cinergy	90	Erlanger	ECAR
KY	Dynegy Inc.	500	Oldham County	ECAR
KY	Dynegy Inc.	500	Lawrence County	ECAR
KY	Global Energy	540	Clark County	ECAR
KY	Orion Power Holdings	500	Henderson County	ECAR
KY	PG&E National Energy Group	180	Metcalf County	ECAR
KY	PG&E National Energy Group	180	Ballard County	ECAR
LA	American Electric Power	900	Plaquemine	SERC
LA	Avista Power (51%), Cogentrix Energy (49%)	850	Bogalusa	SERC
LA	Calpine Corp.	530	Carville	SPP
LA	Calpine Corp., Cisco Corp.	1000	Eunice	SERC
LA	Cisco Corp.	750	Landry	SERC
LA	Cogentrix Energy	1000	Opelousas	SERC

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Announced merchant plants (ordered by state) ...continued from page 17

State	Parent company	MW	City	NERC region
LA	Dynegy Inc.	155	Lake Charles	SERC
LA	Enron Corp	540	St. Charles Parish	SERC
LA	Entergy Power Group/PPG Industries Inc.	425	Lake Charles	SERC
LA	Southern Company, Cleco Corp.	150	Perryville	SERC
LA	Southern Company, Cleco Corp.	550	Perryville	SERC
LA	TECO Power Services	670	Lake Charles	SERC
MA	American National Power	150	Milford	NPCC
MA	American National Power	570	Bellingham	NPCC
MA	American National Power	580	Blackstone	NPCC
MA	Brockton Power LLC	272	Brockton	NPCC
MA	Cabot Power	350	Everett	NPCC
MA	Calpine Corp	169	Dighton	NPCC
MA	Constellation Power Source	750	Dracut	NPCC
MA	El Paso Energy, Power Development	274	Agawam	NPCC
MA	El Paso Merchant Energy	67	Dartmouth	NPCC
MA	FPL Energy LLC	700	Bellingham	NPCC
MA	Indeck Energy Services	38	Pepperell	NPCC
MA	Infrastructure Development Corp.	1035	Bellingham	NPCC
MA	PG&E National Energy Group	360	Charlton	NPCC
MA	Power Development Corp., El Paso Int'l	272	Westfield	NPCC
MA	Sithe Energies Inc.	540	Medway	NPCC
MA	Sithe Energies Inc.	750	Framingham	NPCC
MA	Sithe Energies Inc.	750	Weymouth	NPCC
MA	Sithe Energies Inc.	1500	Everett	NPCC
MA	United American Energy	28	Lowell	NPCC
MA	United American Energy	82	Lowell	NPCC
MD	AES Corp.	180	Cumberland	MAAC
MD	Old Dominion Electric Coop., Reliant Energy	1125	Cecil County	MAAC
MD	Orion Power Holdings	550	Charles County	MAAC
MD	Panda Energy Int'l	230	Brandywine	MAAC
ME	American National Power	600	Gorham	NPCC
ME	Androscoggin Energy	150	Jay	NPCC
ME	Calpine Corp	265	Rumford	NPCC
ME	Calpine Corp	520	Westbrook	NPCC
ME	Duke Energy Power Services	520	Veazie	NPCC
ME	Indeck Energy Services	500	Yarmouth	NPCC
ME	Indeck Energy Services, Ridgewood Power	24	Jonesboro	NPCC
ME	Indeck Energy Services, Ridgewood Power	24	West Enfield	NPCC
MI	CME North America Merchant Energy LLC	800	Benton Township	ECAR
MI	CMS Generation Co	385	Dearborn	ECAR
MI	Decker Energy Int'l	500	St. Clair County	ECAR
MI	Decker Energy Int'l	500	Carson City	ECAR
MI	DTE Energy Services	165	Dearborn	ECAR
MI	Duke Energy North America	640	Baroda	ECAR
MI	Indeck Energy Services	550	West Branch	ECAR
MI	Indeck Energy Services	1100	Niles	ECAR
MI	Kinder Morgan Power Co.	550	Jackson	ECAR
MI	Panda Energy Int'l	1000	Tallmadge	ECAR
MI	PG&E National Energy Group	1000	Covert Township	ECAR
MI	Southern Energy Inc.	560	Wyandotte	ECAR
MI	Southern Energy Inc.	830	Zeeland	ECAR
MI	Teraska Inc., Nordic Electric, Town of Wyandotte	850	Wyandotte	ECAR
MN	Teraska Inc. (Great River Energy)	534	Martin County	MAPP
MO	Calpine Corp., Aquila Energy Corp.	600	Pleasant Hill	SPP
MO	Duke Energy North America	640	Audrain County	MAIN
MO	Duke Energy Trading & Marketing, AECI	250	Malden	MAIN
MO	Panda Energy Int'l	1000	Montgomery County	MAIN
MS	Calpine Corp.	800	Lowndes County	SERC
MS	Cinergy Capital & Trade	504	Caledonia	SERC
MS	Cogentrix Energy	800	Southhaven	SERC
MS	Cogentrix Energy	800	Caledonia	SERC
MS	Cogentrix Energy, LS Power	800	Batesville	SERC
MS	Duke Energy North America	500	Jackson	SERC
MS	Enron Capital & Trade	250	Fulton	SERC
MS	Enron Capital & Trade	390	New Albany	SERC
MS	Entergy Wholesale Operations	300	Vicksburg	SERC
MS	NRG Energy	1168	Pike County	SERC
MS	PG&E National Energy Group	500	Attala County	SERC
MS	TECO Power Services	599	Attala County	SERC
MS	Tractebel Power Inc.	440	Ackerman	SERC
MT	Adair Int'l Oil & Gas, Blackfeet Inc.	160	Browning	WSCC
MT	Composite Energy	2000	Bear Creek	WSCC
MT	Continental Energy Services	500	Butte	WSCC
NC	Dynegy Inc.	800	Rockingham County	SERC
NC	Enron Corp.	188	Rocky Mount	SERC
NC	Panda Energy Int'l	180	Roanoke Rapids	SERC
NH	AES Corp	720	Londonderry	NPCC
NH	Consolidated Edison Development	525	Newington	NPCC
NH	Indeck Energy Services	15	Alexandria	NPCC
NH	Tractabel Power Inc., Sprague Energy	170	Newington	NPCC
NJ	AES Corp.	800	Bayonville	MAAC
NJ	PG&E National Energy Group	800	West Deptford	MAAC
NJ	PG&E National Energy Group	1100	Linden	MAAC
NJ	PSEG Power LLC	500	Ridgefield	MAAC
NJ	PSEG Power LLC	1186	Linden	MAAC
NM	Avista Power	120	Lordsburg	WSCC
NM	Cobisa Corp.	132	Albuquerque	WSCC
NM	Cobisa Corp.	220	Belen	WSCC
NM	Cobisa Corp.	220	Albuquerque	WSCC
NM	Delta Power, John Hancock Life Insurance Co.	132	Albuquerque	WSCC
NM	Duke Energy North America	800	Deming	WSCC
NM	Dynegy Inc.	400	Dona Ana County	WSCC
NM	Williams Field Services	74	Bloomfield	WSCC
NV	Blogen Partners	56	Las Vegas	WSCC
NV	Coastal Power Co.	500	Carlin	WSCC
NV	PG&E National Energy Group	1000	Clark County	WSCC
NV	Reliant Energy Power Generation Inc.	500	Las Vegas	WSCC
NV	Reliant Energy, Sempra Energy	480	Boulder City	WSCC
NV	Southern Energy Inc.	1000	Las Vegas	WSCC
NY	ABB Energy Ventures (Oak Point LLC)	1075	Bronx	NPCC
NY	American National Power	1650	Ramapo	NPCC
NY	Calpine Corp.	540	Middletown	NPCC
NY	CH Resources	50	Niagara Falls	NPCC
NY	CH Resources	79	Beaver Falls	NPCC
NY	CH Resources	79	Solvay	NPCC
NY	eCorp	520	Nichols	NPCC
NY	Enron Energy	80	Far Rockaway	NPCC
NY	Glenville Energy Park LLC	520	Glenville	NPCC
NY	KeySpan Energy	79	Melville	NPCC
NY	Orion Power Holdings	550	Rockland County	NPCC
NY	PG&E National Energy Group	11	Hamilton	NPCC
NY	PG&E National Energy Group	1080	Athens	NPCC
NY	PPL Global	800	Long Island	NPCC
NY	SCS Energy LLC	1000	Astoria, Queens	NPCC
NY	Sithe Energies Inc.	800	Scriba	NPCC
NY	Sithe Energies Inc.	827	Spring Valley	NPCC
NY	Southern Energy Inc.	750	West Haverstraw	NPCC
NY	Twin Tier Power LLC	520	Nichols	NPCC
OH	Calpine Corp., Hanging Rock Energy Projects	850	Lawrence County	ECAR
OH	Calpine Corp., CME N.A. Merchant Energy	704	Fremont	ECAR
OH	Cinergy	90	Cincinnati	ECAR
OH	CME North America Merchant Energy LLC	2200	Lawrence County	ECAR
OH	Cogentrix Energy	800	Jackson County	ECAR
OH	Cogentrix Energy	800	Franklin Township	ECAR
OH	DPL Energy	200	Darke County	ECAR
OH	DPL Energy	225	Greenville	ECAR
OH	DPL Energy	320	Montgomery County	ECAR
OH	DPL Energy	320	Pickaway County	ECAR
OH	Dresden Energy	500	Cass Township	ECAR
OH	Duke Energy North America	620	Washington County	ECAR
OH	Duke Energy North America	640	Butler County	ECAR
OH	Duke Energy North America/Cinergy Capital & Trade	640	Butler County	ECAR
OH	Dynegy Inc.	800	Vinton County	ECAR
OH	Entergy Power Generation	640	Bloomfield Township	ECAR
OH	Norton Energy Storage LLC	2700	Summit County	ECAR
OH	PG&E National Energy Group	49	Bowling Green	ECAR
OH	PG&E National Energy Group	49	Galion	ECAR
OH	PG&E National Energy Group	49	Napoleon	ECAR
OH	PSEG Power LLC	850	Washington County	ECAR
OK	Calpine Corp.	1000	Coweta	SPP
OK	Calpine Corp. (80%)	110	Pryor	SPP
OK	Cogentrix Energy	800	Jenks	SPP
OK	Duke Energy North America, Oklahoma Municipal PA	500	Newcastle	SPP
OK	Kiowa Power Partners (Power Resources Group)	900	Pittsburg	SPP
OK	ONEOK, Western Resources	300	West Edmond	SPP
OR	Calpine Corp.	550	Hermiston	WSCC
OR	PacifiCorp	480	Klamath Falls	WSCC
OR	PG&E National Energy Group	44	Oilliam County	WSCC
OR	PG&E National Energy Group	550	Umatilla	WSCC
PA	AES Corp.	700	South Lebanon	MAAC
PA	Allegheny Energy Supply Co.	220	5 locations at 44 MW each	MAAC
PA	Allegheny Energy Supply Co.	540	Springdale	MAAC
PA	Calpine Corp.	545	Ontelaunee Township	MAAC
PA	Conectiv Energy Supply	500	Bethlehem	MAAC
PA	Dominion	300	Armstrong County	MAAC
PA	Dominion	1100	Falls Township	MAAC
PA	FPL Energy LLC	500	Montgomery County	MAAC
PA	FPL Energy LLC	725	Marcus Hook	MAAC
PA	FPL Energy LLC	750	Marcus Hook	MAAC
PA	Orion Power Holdings	568	Eddystone	NPCC
PA	Panda Energy Int'l	70	Archbald	MAAC
PA	Panda Energy Int'l	1000	Upper Hanover Township	MAAC
PA	PEI Power, Cayuga Energy	45	Scranton	MAAC
PA	PPL Global	90	Hatfield Township	MAAC
PA	PPL Global	90	Upper Hanover Township	MAAC
PA	PPL Global	90	Eden Township	MAAC
PA	PPL Global	180	West Hempfield Township	MAAC
PA	PPL Global	450	West Earl Township	MAAC
PA	PPL Global	500	Martins Creek	MAAC
PA	Solar Turbines	70	York	MAAC
PA	Williams Energy Group	250	Hazelton	MAAC
RI	Calpine Corp.	265	Tiverton	NPCC
RI	El Paso Merchant Energy	67	Pawtucket	NPCC
RI	FPL Energy LLC	500	Johnston	NPCC
SC	SkyGen Energy	620	Calhoun County	SERC
SC	SkyGen Energy	640	Cherokee County	SERC
SC	SkyGen Energy	5200	Cherokee County	SERC
TN	Allegheny Energy Supply Co. LLC	540	Gleason	SERC
TN	Calpine Corp.	770	Haywood County	SERC
TN	Cinergy Capital & Trade	494	Brownsville	SERC
TX	AES Corp.	143	Pasadena	ERCOT
TX	AES Corp.	730	Granbury	ERCOT
TX	Air Liquide America, Reliant Energy Inc.	100	Orange	SERC
TX	American Electric Power	130	Abilene	ERCOT
TX	American National Power	1100	San Marcos	ERCOT
TX	American National Power	1650	Midlothian 1 & 2	ERCOT
TX	Avista Power, NRG Energy, STEAG	633	Fort Bend County	ERCOT
TX	Calpine Corp.	500	Corpus Christi	ERCOT
TX	Calpine Corp.	560	Houston	ERCOT
TX	Calpine Corp.	730	Edinburg	ERCOT
TX	Calpine Corp.	750	Pasadena	ERCOT
TX	Calpine Corp.	830	Harris County	ERCOT
TX	Calpine Corp.	1000	Freestone County	ERCOT
TX	Calpine Corp. (78.5%), Brownsville PUB	392	Edinburg	ERCOT
TX	Calpine Corp., GenTex Power Corp.	500	Bastrop	ERCOT
TX	Coastal Power Co.	550	Bastrop	ERCOT
TX	Cobisa Corp.	1500	Kaufman County	ERCOT
TX	Conoco Global Power, NRG Energy Inc.	420	Orange	SERC
TX	Conoco Inc., Occidental Energy Ventures	440	Ingleside	ERCOT
TX	Constellation Power Source	800	Upshur County	ERCOT
TX	Constellation Power Source	800	Seguin	ERCOT
TX	CSW Energy	75	[illegible]	ERCOT
TX	CSW Energy	75	Hidalgo County	ERCOT
TX	CSW Energy, GE Capital Structured Finance I	358	Old Ocean	ERCOT
TX	Duke Energy North America	510	Hidalgo County	ERCOT
TX	Dynegy Inc.	590	Channelview	ERCOT
TX	Enron Wind Corp.	150	Ellis County	ERCOT
TX	FPL Energy LLC	160	West Texas	ERCOT
TX	Kinder Morgan Power Co., Energy Generation Corp.	1070	Harris County	ERCOT
TX	KN Power	510	Wise County	ERCOT
TX	LG&E Power Services Inc., Columbia Electric	550	Gregory	ERCOT
TX	Newport Generation	1600	Anderson County	ERCOT
TX	Panda Energy Int'l, PSEG Global	1000	Paris	ERCOT
TX	Panda Energy Int'l, TECO Power Services	1000	Odessa	ERCOT
TX	Panda Energy Int'l, TECO Power Services	1000	Guadalupe County	ERCOT
TX	PG&E National Energy Group, American National Power	1000	Edinburg	ERCOT
TX	Reliant Energy Inc.	770	Harris County	ERCOT
TX	Reliant Energy Renewables Inc.	250	Upton County	ERCAT
TX	Sempra Energy Resources	578	Dayton	ERCOT/SERC
TX	Sempra Energy Resources	578	Dobbin	ERCOT/SERC
TX	Southern Energy Inc.	80	Wichita Falls	ERCOT
TX	Southern Energy Inc.	300	Bosque County	ERCOT
TX	Teraska Diamond LP	830	Grimes County	ERCOT/SERC
TX	Teraska Diamond LP, Coral Energy	845	Rusk County	ERCOT/SPP
TX	Texas Wind Power Co.	78	Glavin	ERCOT
TX	Texas Wind Power Co.	78	McCamey	ERCOT
TX	Texas Wind Power Co.	78	Owego	ERCOT
TX	Tractabel Power Inc.	350	Ellis	ERCOT
TX	Tractabel Power Inc.	800	Wise County	ERCOT
VA	Cinergy Capital & Trading	330	Martinsville	SERC
VA	Cogentrix Energy	1100	Henry County	SERC
VA	Commonwealth Power Ventures Inc.	500	Fluvanna County	SERC
VA	Constellation Power Source	250	Bristol	SERC
VA	FPL Energy LLC	171	Hanover County	SERC
VA	Teraska Inc.	1800	Fluvanna County	SERC
VA	TM Power Ventures, Commonwealth Chesapeake	312	Accomack County	SERC
VA	Tractebel Power Inc.	1400	Leesburg	SERC
VT	Vermont Energy Park Holdings	225	Bennington County	NPCC
VT	Vermont Energy Park Holdings	1000	Rutland County	NPCC
WA	Cogentrix Energy	750	Patterson	WSCC
WA	Duke Energy North America	500	Grays Harbor County	WSCC
WA	FPL Energy LLC	25	Everett	WSCC
WA	National Energy Systems Co.	248	Goldendale	WSCC
WA	National Energy Systems Co.	660	Sumas	WSCC
WA	Newport Generation	1300	Wallula	WSCC
WA	PPL Global	1200	Columbia County	WSCC
WA	Tractebel Power Inc.	520	Chehalis	WSCC
WI	Calpine Corp.	255	DePere	MAIN
WI	Calpine Corp.	500	Christiana	MAIN
WI	FPL Energy Wisconsin Wind	30	Milwaukee	MAIN
WI	MidAmerican Energy Holdings Co.	53	Cassville	MAPP
WI	MidAmerican Energy Holdings Co.	600	Outagamie County	MAIN
WI	Midwest Power LLC	365	Osceola	MAIN
WI	Midwest Power LLC	365	Beloit	MAIN
WI	Midwest Power LLC	375	New Berlin	MAIN
WI	PG&E National Energy Group	1050	Kenosha County	MAIN
WI	Southern Energy Inc.	300	Neenah	MAIN
WI	Southern Energy Inc.	590	Portage County	MAIN
WV	Atlantic Renewable Energy Inc.	70	Tucker County	ECAR
WV	AYP Energy	276	Ft. Martin	ECAR
WV	Constellation Power Source	300	Wayne County	ECAR
WV	Dominion	300	Pleasants County	ECAR
WV	MCN Energy	240	Williamson	ECAR
WV	Mega-Energy Inc.	21	Preston County	ECAR
WV	Orion Power Holdings	500	Wayne County	ECAR
WV	Panda Energy Int'l	1100	Culloden	ECAR
WY	Black Hills Corp.	80	Gillette	WSCC
WY	North American Power Group	274	Wright	WSCC
WY	Zeigler Coal Holding	240	Wright	WSCC
Total MW:		254,236		

Prepared by the Electric Power Supply Association 12/18/00

1-28

House Utilities Committee

Testimony in Favor of SB 177
by
J. C. Long, Director
Government Affairs
UtiliCorp United Inc.

Chairman Holmes and members of the committee:

My name is J. C. Long, and I am Director of Government Affairs for UtiliCorp United in Colorado and Kansas. UtiliCorp has nearly 4.1 million customers world wide of which 1.5 million customers are located in the United States. UtiliCorp's WestPlains Energy division has 70,000 electric customers in central and western Kansas and serves numerous cities wholesale power in the same area. I appear before you today in support of Senate Bill 177.

The major provisions of Senate Bill 177 are:

- Defines IPP's as Business and Commercial Property and reduces the property tax burden from 33% to 25%;
- Allows a portion of a regulated power plant to be an IPP;
- Allows any fuel;
- Is locally assessed;
- Allows a local unit of government to give a 10 year property tax abatement.

Thank you for allowing me to appear today in support of SB 177. I will try to respond to any questions.

HOUSE UTILITIES
DATE: 3-20-01
ATTACHMENT 2

BEFORE THE HOUSE UTILITES COMMITTEE
MARCH 20, 2001
STATEMENT OF DUKE ENERGY IN SUPPORT OF SB 177 BY JACK GLAVES

If it the desire of the legislature to encourage base load generation in Kansas to be available within the foreseeable future on a least risk basis and at a market based price, you should support SB 177.

Why?

1. It does not micromanage the generation concept. The choice of fuel is left to the providers of the required capital. It should be an economic decision, not a political mandate. California learned that political directives that ignore the economics of power supply leads to short term pleasure but long term pain.
2. Let the IPPs decide the wisdom of constructing coal fired, gas fired or biomass or whatever fired generation. Currently gas is going down and coal is going up but long-term decisions are not made on short-term events. Leave it to the experts and those who have their money at risk to measure the long-term probabilities.
3. My client, Duke Energy, is seriously exploring the construction of a 640 MW gas fired plant in Northeast Kansas. That decision will turn on all economics, involved, including the choice of fuel.
4. Why gas for a base load plant?
    a. Long-term supply is available. Wyoming's Powder River Basin in particular, has abundant long-term reserves. A current news report indicates that geologists have recently increased the Basin's reserves of drillable gas from 1 TCF in 1995 to 25 TCF today – the equivalent of all Hugoton production from inception to date. 8,600 wells have been drilled

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ATTACHMENT 3

since 1995 in the Powder River Basin, more than half last year. Their coal beds from which the gas is extracted are less than 1,000 feet underground making the gas accessible by water well rigs. Additionally the Secretary of Interior has under consideration a plan to open up Federal lands in the Basin for the drilling of 50,000 new wells on the 12,000 square miles of the Basin by 2012. Secretary Norton, who has supported increased oil and gas development in the Rockies, will be the final arbiter.

5. Coal has its own problems:
    a. "Permitting" regulations are stringent, expensive and time consuming. That's part of the reason that coal plants require 5 to 7 years versus 2 ½ years for gas fired plants of equal output.
    b. Coal itself is relatively cheap but the transportation is expensive and subject to labor uncertainty. Coal operations are environmentally negative. Kansas coal is high sulphur and has been tried unsuccessfully at LaCygne. Although it was located for utilization of Kansas and Missouri coal, it burns 95% Wyoming coal. There must be a compelling reason as to why the 500 plus merchant's plants that have been built are gas fired. I understand that one in Mississippi is coal fired – with local coal.

Bottom line, we urge adoption of SB 177 which would put Kansas in step with the rest of the nation. The basic issue is whether Kansas should encourage the addition of wholesale power supply. It is needed. See the attached graph. This bill leaves the choice of fuel to the risk taker. These aren't public utilities. They are not assured a service territory, a rate of return nor the right of eminent domain. They don't enjoy the

benefits of a utility, nor should they be burdened by the micromanagement inherent in specifying the type of fuel to be used. If they make the wrong decision, they bear the consequences.

Respectfully Submitted,
Jack Glaves

Duke Energy North America Projects

Duke Energy

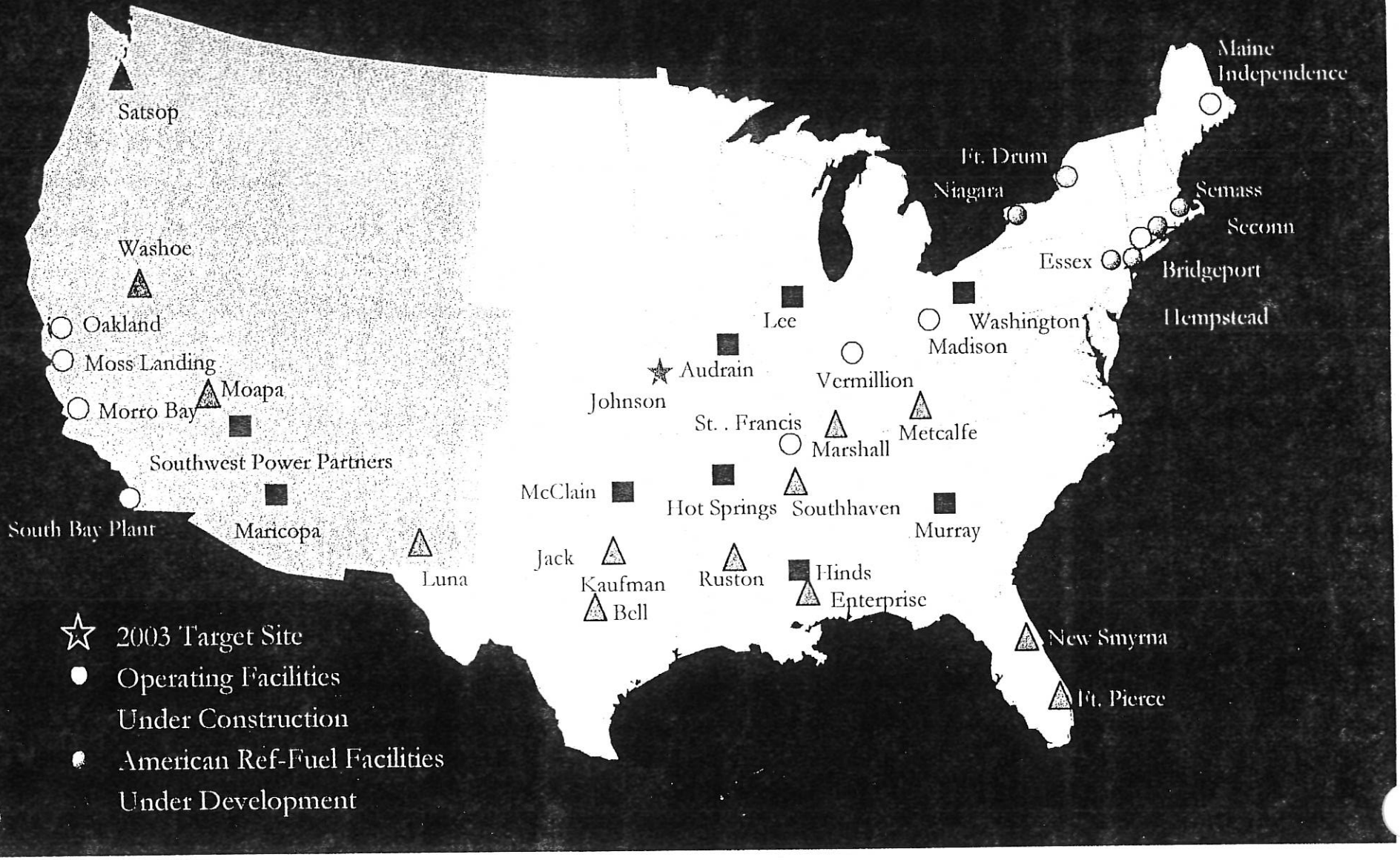
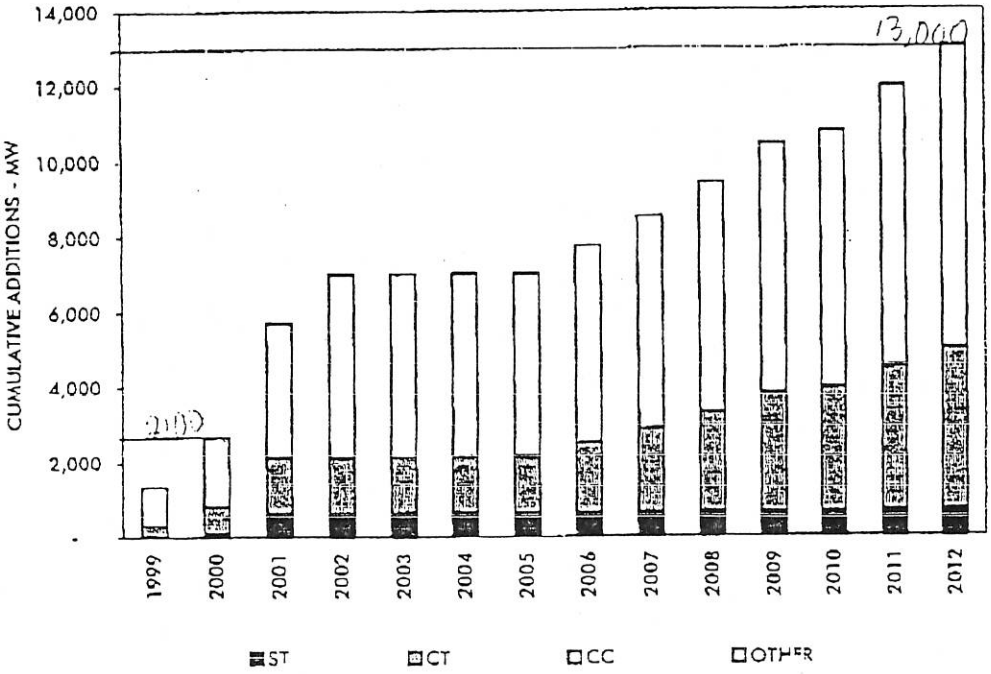


EXHIBIT 7
CUMULATIVE CAPACITY ADDITIONS BY TECHNOLOGY TYPE—SPP



SOURCE: NEWGEN RDI PROJECTIONS

EXHIBIT 8
CAPACITY ADDITIONS BY TECHNOLOGY TYPE—SPP

TECH TYPE	1999-2003	2004-2009	2010-2012
ST	9%	0%	2%
CT	21%	50%	45%
CC	70%	50%	53%
OTHER	0%	0%	0%

SOURCE: NEWGEN RDI PROJECTIONS

Testimony
before the
House Utilities Committee
by
Jim Ludwig, Western Resources
February 15, 2001

Chair Holmes and Members of the Committee:

Western Resources submits this written testimony in support of SB 177.

Bill explanation

SB 177 provides an incentive to independent power producers to build power plants by assessing their generation facilities at the rate of 25% for real and personal property. Under current law, independent power producer generation would be assessed at 33%, the rate for public utility property. Independent power producer property is defined as generation facilities not in the rate base of a KCC jurisdictional electric utility.

Making incentives and removing obstacles

In order to encourage additional generating capacity in Kansas, this Committee and the Kansas Legislature took an important step last year in relaxing the generation and transmission siting acts. The incentive proposed in SB 177 is another step toward removing obstacles and reducing a competitive tax disadvantage compared to surrounding states.

Preserving tax base

Enacting SB 177 would not erode the current property tax base. Any generation built before January 1, 2001, would continue to be assessed at 33%. Any non-rate base generation built after January 1, 2001 would be assessed at 25%, while rate-based utility generation built after that date would be assessed 33%.

How SB 177 Compares to HB 2266 and HB 2268

SB 177, HB 2266 and HB 2268 all provide incentives to build power plants in Kansas. Like HB 2266, SB 177 extends the lower 25% property tax assessment rate to any new independent power producer plants. SB 177 does not place any restrictions on the fuel a power plant would use. SB 177, however, does not extend property tax abatements and Kansas development bond financing authority for construction of power plants as HB 2266 and 2268 do. SB 177 does not address plants in a utility's rate base or "construction work in progress" or construction of transmission lines as HB 2266 and HB 2268 do. On balance, HB 2266 and HB 2268 provide more incentives to build power plants than SB 177, while SB 177 is less restrictive than HB 2266 and HB 2268 as to choice of fuel to fire the power plants.

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ATTACHMENT 4