MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on March 12, 2001 in Room 231-N of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Emalene Correll, Legislative Research Tom Severn, Legislative Research Bruce Kinzie, Revisor of Statutes Lisa Montgomery, Revisor of Statutes

Ann McMorris, Secretary

Conferees appearing before the committee: none

Others attending:

See attached list.

Committee discussion on current statute on parallel generation services 66-1,184, New Mexico's net metering rule, and reports on energy charges from various electric utilities. (Attachment 1)

Chair opened for discussion on:

SB 299 - Promotion of energy efficiency, income tax credits

Chair asked for comments on Sections 3 through 6 on SB 299. He reviewed the tax credits in those sections.

Moved by Senator Lee, seconded by Senator Wagle, to strike Sections 2, 3, 4, 5, 6 of **S.B. 299** and ask for an interim study to determine the fiscal impact. Motion withdrawn after considerable debate on whether to strike or table.

Discussion on amending Section 1. Various areas under consideration were demand or capacity charges, energy charges, distribution costs, avoided costs, calculation of avoided cost on monthly basis rather than annual and interruptable power. Possible language for the amendment could include a section from New Mexico's rule ..."it is an option for QFs with a capacity of 100 kW or less that primarily intend to service their own loads (called load displacement option)....." and not requiring payment by the utility until \$25 is owed customer/generator.

Moved by Senator Brownlee, seconded by Senator Lee, to amend Section 1 of **SB 299** with conceptual amendment based on the New Mexico net metering rule. Motion carried.

Further consideration of SB 299 will be held in meetings scheduled either Wednesday or Thursday

Approval of Minutes

Moved by Senator Emler, seconded by Senator Barone, the minutes of the Senate Utilities meeting on March 8, 2001 be approved. Motion carried.

Next meeting of the committee will be held on March 13, 2001.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Enclosures - 1

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: **MARCH 12, 2001**

Name	Representing
Lang Holloway	Kcc
Carl McDrwell	Bottenberg + Associates
Joe Dick	KCK BPU
Lee Eigenhauer	Propane Marketers Ocean,
For Daches	CBBA
JOM DAY	KCC
Joseph Blecha	w/ Sen. Lee
B.11 Sneed	FNM
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History: L. 1979, ch. 207, § 5; L. 1986, ch. 318, § 124; July 1.

CASE ANNOTATIONS

1. KCC limited to determination of reasonableness of location; necessity of line not reviewable. Kansas City Power & Light Co. v. Kansas Corporation Commission, 9 K.A.2d 49, 52, 670 P.2d 1369 (1983).

66-1,182. Same; not applicable, when. The provisions of this act shall not apply to any electric utility which complies with the provisions of the national environmental policy act of 1969 with regard to the siting of electric transmission lines.

History: L. 1979, ch. 207, § 6; July 1.

CASE ANNOTATIONS

1. Utility must comply with notice and procedural requirements of either this act or federal law. McGinnis v. Kansas City Power & Light Co., 231 K. 672, 673, 675, 676, 680, 647 P.2d 1313 (1982).

66-1,183. Same; duty of utility to restore land. It shall be the duty of every electric utility which constructs an electric transmission line to restore the land upon which such line is constructed to its condition which existed prior to such construction.

History: L. 1979, ch. 207, § 7; July 1.

CASE ANNOTATIONS

1. Cited; KCC limited to determination of reasonableness of line location only. Kansas City Power & Light Co. v. Kansas Corporation Commission, 9 K.A.2d 49, 50, 670 P.2d 1369 (1983).

PARALLEL GENERATION SERVICES

66-1,184. Contracts for parallel generation services between electric utilities and its customers; terms and conditions; duties of customer. Every public utility which provides retail electric services in this state shall enter into a contract for parallel generation service with any person who is a customer of such utility, upon request of such customer, whereby such customer may attach or connect to the utility's delivery and metering system an apparatus or device for the purpose of feeding excess electrical power which is generated by such customer's energy producing system into the utility's system. No such apparatus or device shall either cause damage to the public utility's system or equipment or present an undue hazard to utility personnel. Every such contract shall include, but need not be limited to, provisions relating to fair and equitable compensation on such customer's monthly bill for energy supplied to the utility by such customer, and the following terms and conditions: (a) The utility will supply, own, and maintain

all necessary meters and associated equipment utilized for billing. In addition, and for the purposes of monitoring customer generation and load, the utility may install at its expense, load research metering. The customer shall supply, at no expense to the utility, a suitable location for meters and associated equipment used for billing and for load research; (b) for the purposes of insuring the safety and quality of utility system power, the utility shall have the right to require the customer, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the customer's facility of which the generating facility is a part; (c) the customer shall furnish, install, operate, and maintain in good order and repair and without cost to the utility, such relays, locks and seals, breakers, automatic synchronizer, and other control and protective apparatus as shall be designated by the utility as being required as suitable for the operation of the generator in parallel with the utility's system. In any case where the customer and the utility cannot agree to terms and conditions of any such contract, the state corporation commission shall establish the terms and conditions for such contract. In addition, the utility may install, own, and maintain a disconnecting device located near the electric meter or meters. Interconnection facilities between the customer's and the utility's equipment shall be accessible at all reasonable times to utility personnel. The customer may be required to reimburse the utility for any equipment or facilities required as a result of the installation by the customer of generation in parallel with the utility's service. The customer shall notify the utility prior to the initial energizing and start-up testing of the customer-owned generator, and the utility shall have the right to have a representative present at such test; and (d) the utility may require a special agreement for conditions related to technical and safety aspects of parallel generation.

Service under any such contract shall be subject to the utility's rules and regulations on file with the state corporation commission.

History: L. 1979, ch. 208, § 1; July 1.

Research and Practice Aids: Electricity = 8.4. C.J.S. Electricity § 15.

CASE ANNOTATIONS

 Where federal law has preempted field in area of cogeneration, KCC cannot require purchase of electricity

20/2 Min

second meter. The utility will not pay the customer for excess generation in any billing period, nor will such excess generation be credited toward future monthly bills. It is estimated that there are 16 customers with 158 kW of renewable generation that qualify for the net energy billing program in New Hampshire.

New Mexico's Net Metering Rule

Net metering in New Mexico is authorized by the New Mexico Public Service Commission Rule 570 governing the interconnection of cogeneration and small power production facilities that meet the criteria for QFs under FERC CFR Title 18, Part 292.203. It is an option for QFs with a capacity of 100 kW or less that primarily intend to serve their own loads (called load displacement option). There will be no additional customer charge for this option. However, utilities will not pay for any excess energy produced by the QFs. Another option under Rule 570 is to install two meters to calculate net energy consumed or supplied by the QFs. The QFs will be paid for excess energy at the utility's energy rate only. An additional customer charge to cover the added costs of billing and administration will be included in the tariff. Rule 570 has been in effect since June 30, 1988. The number of customers participating in the net metering program is unknown. It is estimated to be extremely small. 6

New York's Proposed Net Metering Bill

New York's net metering bill (an act to amend the public service law) was passed by the New York Assembly in May 1996 but was vetoed by the governor in November 1996. The bill would have established a net metering program for the utility's residential customers who own and operate solar electric generating facilities of not more than 10 kW. It limited the total installed solar electric generating capacity to 0.1% of each utility's 1997 peak demand as forecasted by the Public Service Commission (PSC). The capacity limit was to be reviewed by the PSC in 2005 to determine whether it should be increased in the future. (The 1997 noncoincidental peak demand forecast for New York state is 29,691 MW.)

New York's bill would have required all utilities in the state (investor-owned, publicly owned, municipally owned, and cooperatives) to offer net metering programs to eligible customers and that they not impose any charges or fees not imposed to other non-net metering customers. Furthermore, the bill specifically stated that if the residential solar generation facilities met all applicable safety and power quality standards established by the National Electric Code and the Underwriters Laboratories (UL), then utilities could not require the net metering customers to install additional controls, perform or pay for additional tests, or purchase additional liability insurance. This was a unique feature of New York's net metering bill.

In addition to prohibiting utilities from imposing extra charges and requiring additional equipment, New York's net metering bill also required the utilities to annualize the period during which the net energy measurement was calculated. If the customer-owned solar generating facility produced more electricity than it consumed during one month, the excess generation would have been carried over to the next month as a credit. At the end of the annual period, the utilities would have purchased any remaining excess generation at the utility's avoided cost.

North Dakota's Net Metering Order

Net metering has been available in North Dakota since 1991 under the North Dakota Administration Code, Section 69-09-07-09. Customer-owned renewable energy generators or QFs under 100 kW are

/-2 3/9/01

SCHEDULEWHM-98-COOP......

Inder M.

.....Sunflower. Electric. Power. Corporation.....

Replacing Schedule WHM-95-COOP Sheet2.....

.....Service. Area....

which was filed

.....March 26, 1996.

No supplement or separate understanding shall modify the tariff as shown hereon

Sheet .2.... of 5... Sheets

Energy Charge (\$ per kWh):

Year 1

Year 2

Year 3

Year 4 and thereafter

Base

\$.04281

\$.04191

\$.04101

\$.04012

Excess

\$.02920

\$.02920

\$.02920

\$.02920

Customer Charge:

\$105 per delivery point

BASE PERIOD EXCESS CREDIT

The following monthly amount shall be applied as a line item credit to each System's monthly billing subject to adjustments for existing loads billed under Sunflower's Small Special Contract Rider.

	Year 1	Year 2	Year 3	Year 4
Midwest Energy	\$27,192	\$18,119	\$9,073	\$0
Lane-Scott	\$17,540	\$11,694	\$5,868	\$0
Prairie Land	\$28,243	\$18,832	\$9,452	\$0
Pioneer	\$324,893	\$216,469	\$108,368	\$0
Victory	\$9,273	\$6,180	\$3,097	\$0
Western	\$52,583	\$35,043	\$17,558	\$0
Wheatland	\$190,863	\$127,200	\$63,734	\$0

BASE PERIOD

The Base Period for system billing determinants shall be defined as the twelve months ending billing period, December 31, 1997.

99SEPE446CON

Issued

Effective

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THE STATE CORPORATION COMMISSION OF KANSAS

INDEX NO	
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WESTERN RESOURCES, INC., dba KPL

(Name of Issuing Utility)

SCHEDULE LPTD

ENTIRE TERRITORY

(Territory to which schedule is applicable)

Replacing Schedule LPTD Sheet 1

which was filed

June 5, 1995

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 4 Sheets

LARGE POWER TIME DIFFERENTIATED CONTRACT SERVICE

AVAILABLE

Electric service is available under this schedule at points on the Company's existing distribution facilities.

APPLICABLE

To any customer who contracts for electric service supplied at one point of delivery, and who agrees to a contract capacity of 500 kVA or more for a contract period of five years or more. This schedule is not applicable for temporary, breakdown, standby, or resale electric service. The total load served by this rate schedule for all customers combined, shall not exceed 15 MW.

CHARACTER OF SERVICE

Alternating current, 60 hertz, three phase, at the voltage stated in the Electric Power Service Contract.

NET MONTHLY BILL

Rate

\$100.00 plus

Capacity Charge

4.09 per kVA for all Billing Capacity.

Energy Charge

3.845¢	per kWh for the first 50 kWh per kVA of Highest Capacity
3.339¢	per kWh for the next 100 kWh per kVA of Highest Capacity
3.027¢	per kWh for the next 250 kWh per kVA of Highest Capacity
2.813¢	per kWh for all additional kWh

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	MEMBER RECs (Territory to which schedule is applicable) which was filed				December 31	. 1992	
	or separate under tariff as shown				Sheet _	3_ of _4_	Sheets
		CALC	ULATING B	ILLS			
NET MO	NTHLY B	BILL					
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		For the months of October, monthly demand at the time					
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		For the months of October, monthly demand at the tim					
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(c)	Less ap	opropriate high voltage disc	ount.				
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THE STATE CORPORATION COMMISSION OF KANSAS

INDEX NO	
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WESTERN RESOURCES, INC., dba KPL

(Name of Issuing Utility)

KANSAS - ALL RATE AREAS

(Territory to which schedule is applicable)

SCHEDULE LP

Replacing Schedule_ LP Sheet 1

which was filed__June 5, 1995

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 3 Sheets

LARGE POWER CONTRACT SERVICE

AVAILABILITY

Available throughout Company's service area to commercial and industrial customers with a Billing Capacity greater than or equal to 200 kilovolt-amperes (kVA) at one delivery point.

Service is subject to the <u>DEFINITIONS AND CONDITIONS</u> section below. Backup, breakdown, resale, shared, standby, supplemental, and temporary service are not available under this rate schedule. Availability also is subject to the customer signing an Electric Power Service Agreement with an initial term of at least one year.

NET MONTHLY BILL

CAPACITY CHARGE \$4.33 per kVA for the first 200 kVA of Billing Capacity

\$4.14 per kVA for the next 400 kVA of Billing Capacity \$3.95 per kVA for all additional kVA of Billing Capacity

ENERGY CHARGE

3.819¢ per kWh for the first 50 kWh per kVA of Billing Capacity 3.312¢ per kWh for the next 100 kWh per kVA of Billing Capacity 3.001¢ per kWh for the next 250 kWh per kVA of Billing Capacity

2.787¢ per kWh for all additional kWh

MINIMUM BILL:

The greater of \$890.00 or the Capacity Charge multiplied by Billing Capacity plus applicable adjustments provided in the Tax Adjustment - Electric schedule.

DEFINITIONS AND CONDITIONS

- 1. Service is delivered at standard, three-phase voltage from available lines with adequate capacity. Company retains the right to change the voltage of its supply lines.
- Service normally is measured at delivery voltage; however, Company reserves the right to locate its meters at a voltage other than delivery voltage and compensate for transformer losses.

96W S R E 1 0 1 D R S Commission File Number 193307 - U

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WESTPLAINS ENERGY, a Division of UtiliCorp (Name of Issuing Utility) United

SCHEDULE 92-GSL-I

Replacing Schedule 88-GSL-I Sheet 1

FORM RF

URBAN AREAS (Territory to which schedule is applicable)

Jan. 15, 1988 which was filed _

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of_ Sheets

GENERAL SERVICE

AVAILABLE

In Urban Areas.

APPLICABLE

To all electric service of a single character supplied at one point of delivery and used for general business or commercial purposes, institutions, public or private, and purpose for which no specific rate schedule is provided. This schedule is not applicable to temporary, breakdown, standby, supplementary, resale or shared service. This rate is applicable to service of 10 kW of Demand and over.

CHARACTER OF SERVICE

Alternating current, approximately 60 cycles; single phase, 115 or 115/230 volt; three phase, 3 wire, 230 volt; three phase, 4 wire, 115/230 volt.

NET MONTHLY BILL

Customer Charge

\$8.50 per month.

RATE

Winter Summer Bills for November 1 Bills for July 1 to to June 30 inclusive October 31 inclusive

Demand

per kW over 9

\$4.86 per month

\$5.40 per month

Energy

All kWh per month

5.233 cents per kWh

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