

Approved: April 2, 2002
Date

Carl Dean Holmes

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:08 a.m. on February 21, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Judy Morrison

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: None

Others attending: See Attached List

HB 2661 - Retail electric suppliers; service rights in area annexed by city; procedures; compensation when service rights terminated

Chairman Holmes opened the debate on **HB 2661**. Representative Krehbiel moved to report HB 2661 favorably for passage. Representative Kuether seconded the motion. Motion carried. Representative Krehbiel will carry the bill.

HB 2644 - Automatic pass through to customers of certain electric and natural gas utility costs for security measures

Chairman Holmes stated that the committee would have an informal discussion, without debate, on the bill. A proposed substitute (Attachment 1) was distributed and discussed. Paula Lentz, Assistant General Counsel for the Kansas Corporation Commission, provided detail on the proposed substitute as approved by the Commission. Following discussion, Chairman Holmes announced that the bill would be worked the following day.

HB 2754 - Telecommunications; affordable rates; quality of service; standards

Chairman Holmes opened the floor for discussion on the bill and announced that the bill would be worked the first part of the following week. Representative McClure has asked the Corporation Commission for copies of Order #'s 6, 7 and 9 that pertain to this proposed legislation.

Chairman Holmes stated we would hold a hearing on **HB 2959** tomorrow and may work the bill then.

Meeting adjourned at 10:27 a.m.

Next meeting will be February 22, 2002.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 21, 2002

NAME	REPRESENTING
MARK SCHREIBER	Westar Energy
Joe Durb	KCBPU
GC Long	UCU
Shirley Allen	SITA
Dane Hibbans	Hem Law firm
Jon Miles	KEC
Dyann Carlin	Riley County
Tom Gleason	Independent Telecom Group
John Pinegar	State Independent Telephone Assn.
Paula Lentz	KCC
Bruce Graham	KSPCO
Tom Day	KCC

House Bill No. 2644

Section 1. (a) As used in this section:

(1) "Electric public utility" means any electric public utility, as defined in K.S.A. 66-101a, and amendments thereto.

(2) "Natural gas public utility" means any natural gas public utility, as defined in K.S.A. 66-1,200, and amendments thereto.

(b) (1) Subject to the provisions of subsection (b)(2), the state corporation commission **upon application and request** shall authorize electric public utilities and natural gas public utilities to recover 50% of the utility's actual bad debt write-off for customer debt. Such recovery shall be made by ~~a no-pay an~~ adjustment to the utility's customers' bills, determined in a manner similar to the purchased gas adjustment used to recover utilities' cost of natural gas, and shall be subject to such procedures and conditions as the commission deems appropriate.

(2) If the state corporation commission has allowed for recovery through rates of any portion of a utility's ~~consumer customer~~ bad debt, the amount that such utility may recover pursuant to subsection (b)(1) shall be limited to the difference between the amount authorized to be recovered through rates and the amount authorized pursuant to subsection (b)(1), **calculated from the time the utility's currently authorized rates became effective.** ~~If the amount authorized to be recovered through rates is different than the amount authorized to be recovered pursuant to subsection (b)(1), the recovery of the difference shall be by the adjustment provided for in subsection (b)(1) and shall~~ This shall include a negative adjustment if the amount authorized to be recovered through rates is greater than the amount authorized pursuant to subsection (b)(1).

(3) A utility requesting the adjustment shall file a request for the adjustment annually until the utility's next general rate application, at which time the utility shall elect to recover customer bad debt in base rate or by an annual adjustment pursuant to subsection (b)(1).

(c) ~~The~~ Upon application and request, the state corporation commission shall **may** authorize electric public utilities and natural gas public utilities to recover the utility's prudent expenditures for security measures reasonably required to protect the utility's electric generation and transmission assets or natural gas production and transportation assets **by an adjustment to the customers' bills.** ~~Such recovery shall be by a no-pay adjustment to the utility customers' bills, determined in a manner similar to the purchased gas adjustment used to recover utilities' costs of natural gas, and~~ The application and request shall be subject to such procedures and conditions, including review of the prudence of the expenditures and the reasonableness of the measures, as the commission deems appropriate, **in an expedited manner.**

HOUSE UTILITIES

DATE: 2-21-02

ATTACHMENT 1