

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on January 21, 2003 in Room 231-N of the Capitol.

All members were present except: Senator Robert Tyson, excused

Committee staff present: Raney Gilliland, Legislative Research
Emalene Correll, Legislative Research
Bruce Kinzie, Revisor of Statutes
Ann McMorris, Secretary

Conferees appearing before the committee:

J. C. Long, Aquila
Steve Ferry, Aquila, Operating VP Electric, Great Bend
Scott Heidtbrink, Aquila, Operating VP Natural Gas, Lawrence

Others attending: See attached list

Chair Clark announced the cancellation of the January 23 Senate Utilities Committee meeting. Former Senator Jim Allen died on Monday, January 20 and his funeral is on Thursday, January 23 at 10:00 a.m. at the Ottawa University Chapel in Ottawa, KS. The presentation scheduled by Westar has been rescheduled to Thursday, February 6.

Senator Taddington introduced his pages from Sabetha.

Presentation by Aquila

J. C. Long of Aquila summarized the company's background and name changes made by Aquila. He introduced Scott Heidtbrink, operating vice president of Natural Gas from Lawrence.

Scott Heidtbrink reviewed the Kansas Gas Operations Profile, the steps taken for deregulation and then the change back to regulation, the California energy crisis and its effect on gas operations and ratings comparison. (Attachment 1)

Steve Ferry, operating vice president electric from Great Bend, reviewed the Aquila networks - Kansas electric operations profile and Kansas electric outlook. (Attachment 1)

The committee questioned areas involving customer service, long range planning, advantages of wind farms, comparison of pricing and liability status and management structure.

The next meeting of the Senate Utilities Committee will be on January 22.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 1

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JANUARY ²¹~~22~~, 2003

Name	Representing
Jim BARTLING	Atmos ENERGY
Connie Burns	Dameron & ASSOC.
Paul Johnson	PACK
Scott Heidbrink	Aguila
Steve Ferry	Aguila
JC Long	Aguila
XXXXXXXXXXXXXXXXXXXX	KCC
Joe Duck	KCBPU
Steve Johnson	KS Gas Service
Mark SCHREIBER	Westar Energy
Paul GACHES	CBBA
Bob Kuehnel	KIOGA
Gina Smith	GPE
Karen Oler	Westar Energy
Gina Penzig	Westar Energy
MIKI CHRISTOPHER	CURP
Tom DAY	KCC



Aquila

**AQUILA NETWORKS – KANSAS
OPERATIONS BRIEFING
KANSAS SENATE UTILITIES COMMITTEE
January 21, 2003**

Biography – Scott Heidtbrink:

My name is Scott Heidtbrink and my business address is 110. E. 9th Street Lawrence, KS 66044. I am employed by Aquila as the Operating Vice President for Kansas/Colorado Gas. I have a Bachelor of Science Degree in electrical engineering from Kansas State University in Manhattan, KS.

I have been employed by Aquila since 1987 and was named to my current position in April, 2002. I was the Vice President – Gas Operations in 2001, the Vice President – Network Management from 1997-2001 and I was the State President and General Manager for UtiCorp's Kansas gas and electric operations from 1994-1997. Prior to that I held various engineering, supervisory and managerial positions In UtiCorp's WestPlains Energy and Missouri Public Service divisions.

Kansas Gas Operations Profile:

- 103,859 regulated gas customers
- 54 communities from Lawrence to Goodland
- 144 Kansas employees
- 2,255 miles of gas distribution main
- 280 miles of gas transmission line

**From Utility to.....
.....Utility!**

-North American Utility

-Deregulation

-Merchant

-California Energy Crisis

-Enron

-Ratings Agency's

-North American Utility

Biography – Steve Ferry:

My name is Steve Ferry. Since April 2002, I have been the Operating Vice President for the Kansas Electric division of Aquila Networks and am responsible for managing Aquila's electric network business in Kansas. My business address is 2300 Broadway, Great Bend, Kansas, 67530.

Prior to my current assignment, I was Vice President Wholesale Power Services, and was responsible for developing power supply initiatives for Aquila's U.S. regulated power supply operations. I was also responsible for managing coal procurement for Aquila's power generation facilities and preparing the company's fuel and purchased power budgets.

I joined Aquila in 2001 when the company merged with the former St. Joseph Light & Power Company. At St. Joseph, I managed purchased power, generation dispatch and energy trading. I was also responsible for planning and operating St. Joseph's power transmission and distribution systems.

Prior to joining St. Joseph, I held various engineering and management assignments with public power utilities in Nebraska and Washington. I am a registered professional engineer and hold bachelor's and master's degrees in electrical engineering from the University of Nebraska.

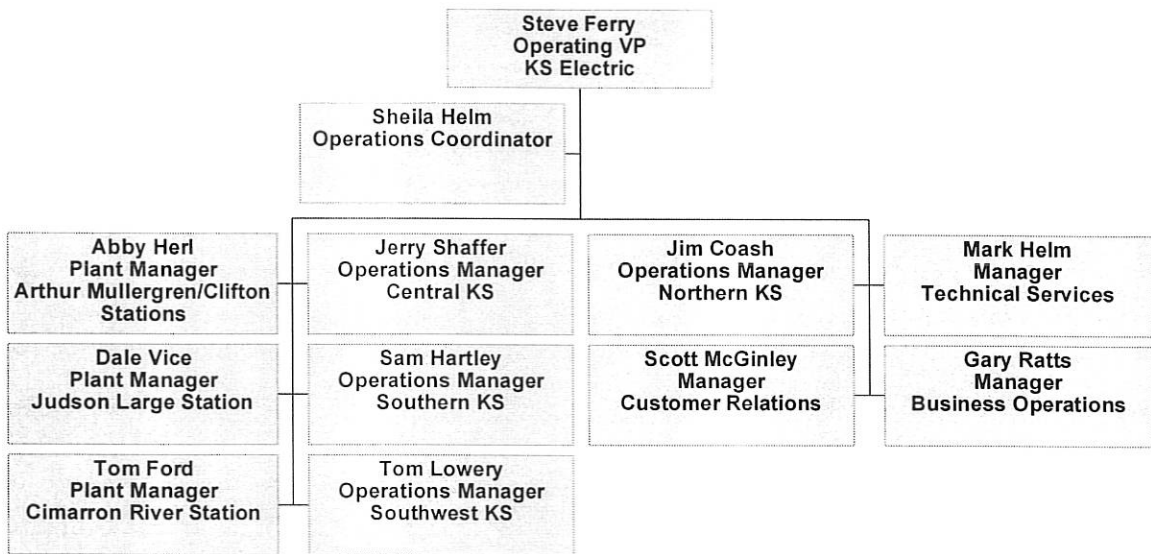
Aquila Networks - Kansas Electric Operations Profile

- 68,500 retail electric customers
- 23 wholesale customers
- 152 communities served at retail including Concordia, Dodge City, Great Bend, Harper, Liberal, Medicine Lodge and Phillipsburg.
- 200 Kansas employees
- 1,083 miles of transmission line (115,000, 138,000 and 230,000 volts)
- 1,474 miles of sub-transmission line (35,000 volts)
- 3,768 miles of distribution line
- 2002 peak demand 588 megawatts, estimated growth about 1.5% per year
- 385 megawatts of natural gas-fired generation in four plants; Arthur Mullergren (Great Bend), Cimarron River (Liberal), Clifton (Clifton), Judson Large (Dodge City)
- 178 megawatts coal-fired generation (8% share of Jeffrey Energy Center)
- Aquila purchases the entire output of the 110 megawatt Gray County wind farm. 40 megawatts of this is used by Kansas Electric.

Aquila Networks - Kansas Electric Outlook

- Company focus is on being a successful utility; reliability, customer service, safety, being price-competitive while earning our allowed rate-of-return.
- Power supply adequate until 2005. Long-term need is for base-load energy.
- Transmission system adequate for near-term in-state needs; however, import/export capability is limited. Long-term reinforcement will be necessary.
- Adding 17 apprentice linemen and power plant operator/technicians in 2003 – 2004.

Aquila Networks - Kansas Electric Organization Chart



Aquila Networks - Kansas/Colorado Gas Organization Chart

