

MINUTES OF THE SENATE UTILITIES COMMITTEE.

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

All members were present except: Senator Lyon, 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:
Larry Holloway, Chief of Energy Operations, KCC

Others attending: See attached list

Presentation of Kansas Corporation Commission

Larry Holloway, Chief of Energy Operations, Kansas Corporation Commission, outlined major cases which are either pending before the Commission, were recently resolved, or were resolved since the January 2002 KCC Activities Report. He reported on action taken by electric utilities companies, electric issues before the Federal Energy Regulatory Commission, natural gas, natural gas issues before the FERC, electric and natural gas regarding the Cold Weather Rule and pipeline safety. (Attachment 1)

The next meeting of the Senate Utilities Committee will be on February 3.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 1

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: JANUARY 30, 2003

Name	Representing
Paul Johnson	PACK
JC Long	Aquila Inc.
Jim BARTLING	ATMOS ENERGY
Harry Holloway	RCC
Joe white	"
Leo Hagnos	"
Steve Johnson	Kansas Gas Service
Mark Schreiber	Westar Energy
Ron Gaches	GOBA
J. Ludwig	WESTAR ENERGY
Amy Campbell	Midwest Energy
Kevin HASEG	K 224
Ken Peters	IPC
Cynthia Sauer	GPE
Charles Benjamin	KS Sierra Club

**Activities Update of the Kansas Corporation Commission
Utilities Division**

Electric and Gas

January 2003

By Larry Holloway
Chief of Energy Operations

This is an outline of major cases which are either pending before the Commission, recently resolved, or resolved since the January 2002 KCC Activities Report. It is written and presented by Commission Staff. Unless otherwise noted any opinions or numbers presented are those of Staff, and do not reflect an opinion or determination by the Commission. Additional information on open or closed Dockets can be obtained on the Commission's website at www.kcc.state.ks.us

Senate Utilities
January 30, 2003
Attachment 1-1

Electric

Docket No. 01-WSRE-949-GIE *In the Matter of the Investigation of Activities of Western Resources, Inc. to Separate Its Jurisdictional Electric Utility Business from Its Unregulated Businesses*

On May 8, 2001, the Commission opened a docket to investigate actions taken by Western Resources to separate its jurisdictional electric utility business from its unregulated businesses. The proposal would essentially separate unregulated assets of Western Resources into a new publicly traded company, Westar Industries, while leaving the ownership of the electric utility, as well as the overall regulated and unregulated debt, with Western Resources. The purpose of the investigation, as stated by the Commission, is to determine the ability of the electric utility to provide sufficient and sufficient electric service following the proposed separation. Despite the opening of the investigation, on May 18, 2001, Westar filed an amendment of its plan with the Securities and Exchange Commission (SEC) essentially requesting that the SEC accelerate its proposed rights offering to an effective date of May 21, 2001. On May 22, 2001 the Commission issued a supplemental order requiring Western Resources to refrain from any affiliate or subsidiary agreement that would increase the share of debt in the capital structure of Western Resources' electric business. On June 25, 2001, the Commission conducted a hearing to allow Western Resources an opportunity to explain why the supplemental order should not remain in effect, be extended or remain permanent, and to receive recommendations from other interested parties.

On July 20, 2001, the Commission issued an order finding that Western Resources' proposed separation was not in the public interest and that the prohibitions of the May 22, 2001 supplemental order be made permanent. The Commission also directed Western Resources to present a plan within 90 days that would: restore WRI to financial health; achieve a balanced capital structure; and protect ratepayers from the risks of the nonutility businesses. On November 6, 2001, Western Resources filed its plan with the KCC. On January 8, 2002, the Commission issued a procedural order proposing not only to review Western Resources' financial plans but also the accounting practices included in its financial plan. On February 11, 2002, the Commission issued an order to examine Western Resources' November 6, 2001 plan and to examine guidelines and standards for affiliate transactions. On July 9, 2002, the Commission granted Western Resources' approval to sell its ONEOK stock provided the proceeds are used to retire debt and not increase any obligations of Western Resources' electric utility to Westar Industries.

The Commission held evidentiary hearings on this docket on July 2, 3, 5, and 8 – 11, 2002. On November 8, 2002, the Commission issued its Order rejecting Western Resources' financial plan, requiring Western Resources to restructure, reverse certain accounting transactions, reduce its secured utility debt by \$100 million a year for a two-year period and take immediate action to reduce excessive debt, prohibiting Western Resources from taking any action to subsidize its unregulated business activities with its electric utility, and directing an investigation to consider standards and guidelines to govern affiliate relations within the Western Resources' corporate family. On December 23, 2002, the Commission issued its Order clarifying and reaffirming

provisions of the November 8, 2002 Order. Western Resources is required to file a financial restructuring plan that complies with parameters established by the Commission's November 8 and December 23 orders on February 6, 2003.

Docket No. 02-SEPE-247-RTS *In the Matter of the Application of Sunflower Electric Power Corporation for Approval of the State Corporation Commission to Make Certain Changes in Its Charges for Sale of Electricity to Its Member Cooperatives and for Approval to Implement an Open Access Transmission Tariff.*

On October 1, 2001, Sunflower Electric Power Corporation (Sunflower) filed a rate application with the Commission seeking to decrease its wholesale electric revenue by \$1.8 million a year. According to the application, Sunflower believes it will receive excess revenue of \$3.6 million a year for electric sales contracts with the City of Goodland and Amoco Production Company. Sunflower proposed to use one-half of this excess revenue to lower its wholesale electric rates to its members and the remaining one half to renegotiate its existing debt structure with the Rural Utility Service (RUS, formerly the REA). On May 17, 2002, Sunflower and Staff reached an unopposed settlement. Per the settlement, Sunflower agreed to decrease rates to reflect current revenue needs and seek any needed increase at the point in time that it had successfully renegotiated its debt structure with RUS. On May 30, 2002, the Commission approved the settlement.

Docket No. 02-WSRE-301-RTS *In the Matter of the Application of Western Resources, Inc. and Kansas Gas and Electric Company to Establish a Customer Class Cost of Service and Rate Design Docket.*

As an outcome of the Commission's order in the Western Resources' rate case, Docket No. 01-WSRE-436-RTS, Western Resources was required to file rates designed to incorporate the changes in revenue requirements. On October 1, 2001, Western Resources filed its requested revised tariffs for both KGE and KPL divisions. On December 14, 2001, the Commission issued a procedural order. On April 22, 2002, all parties except the City of Wichita entered into a Stipulation and Agreement. Public Hearings were held in Topeka on April 23, 2002 and Wichita on May 8, 2002. An evidentiary hearing was held on May 14, 2002 through May 16, 2002. On May 15, 2002 the Commission issued an Order accepting the April 22, 2002 Stipulation and Agreement.

Docket No. 02-EPDE-488-RTS *In the Matter of the Application of the Empire District Electric Company for Approval of the Commission to Make Certain Changes in Its Charges for Electric Service.*

On December 28, 2001, the Empire District Electric Company (EDE) filed an Application with the Commission requesting an increase in its Kansas retail electric revenue requirement of \$3,239,744. This requested revenue requirement increase was necessary, in part, to cover increased costs due to significant investment in new generation facilities since EDE's last rate review in 1993. On June 7, 2002, Commission Staff, EDE and CURB signed a Stipulation and Agreement resolving all issues in the case. Per the settlement, all parties agreed to support a \$2,539,000 revenue increase for EDE's Kansas retail electric customers and EDE agreed not to

file another rate request until November 1, 2003. On June 27, 2002, the Commission issued an order approving the settlement.

Docket No. 02-WSRE-723-ACT *In the Matter of the Application of Western Resources, Inc. and Kansas Gas and Electric Company for an Accounting Authority Order Allowing the Companies to Record and Preserve Costs Related to Ice Storm Damage.*

On March 13, 2002, Western Resources, Inc. (WR, the old KPL system) and Kansas Gas and Electric Company (KGE) filed an application requesting an accounting order allowing the company to record and preserve costs incurred for extraordinary repairs and maintenance due to the January 2002 ice storm. After discovery and investigation, on May 3, 2002, Commission Staff recommended that KGE be allowed to accumulate, for subsequent rate proceedings, expenses of slightly more than \$8 million and WR be allowed to accumulate expenses of slightly less than \$5 million, each with a carrying charge of approximately 9.08%. On May 8, 2002, the Commission approved the request per Staff's recommendations

Docket No. 02-KCPE-840-RTS *In the Matter of the Joint Stipulation and Agreement Regarding the Kansas Jurisdictional Rates of Kansas City Power & Light Company.*

On April 24, 2002, Commission Staff, CURB and KCPL filed a joint application with the Commission requesting approval of a settlement regarding KCPL's Kansas jurisdictional electric rates. As a part of this settlement KCPL agreed to: 1) decrease its Kansas jurisdictional revenue by approximately \$12.4 million beginning January 1, 2003; 2) to file a general rate case with a 2005 test year on or before May 15, 2006; 3) not seek recovery of January 2002 ice storm expenses; and 4) change their depreciable life for Wolf Creek Generating Station to 60 years. The settlement also agreed to spread the resulting rate reduction among all classes of customers and all customer charges on an equal percentage. The Commission approved the settlement on May 24, 2002.

Docket No. 03-MDWE-001-RTS *In the Matter of Midwest Energy, Inc. for Approval of Certain Increases In Its Rates for Electric Service.*

On July 1, 2002, Midwest Energy, Inc. (Midwest) filed an application asking the Commission to approve an annual revenue increase of \$1,669,144 for its retail electric service. On December 2, 2002, Staff and CURB filed direct testimony supporting a decrease in Midwest's annual electric revenues of more than \$1 million. An evidentiary hearing is scheduled for February 10 – 11, 2003.

Docket No. 03-WCNE-178-GIE *In the Matter of the 2002 Wolf Creek Decommissioning Cost Study as Provided by Wolf Creek Nuclear Operating Corporation on August 30, 2002 in Accordance with the Commission's Order in Docket Number 163,51-U on December 9, 1992.*

On August 30, 2002, Wolf Creek Nuclear Operating Corporation filed the latest update of the estimated costs for decommissioning Wolf Creek Nuclear Power Plant. The latest study for decommissioning costs is \$468,376,000 in 2002 dollars, compared to the 1999 study of \$470,466,924 in 1999 dollars. Staff and intervener testimony is due on March 14, 2003 and an evidentiary hearing is scheduled for April 16, 2003.

Docket No. 03-SEPE-244-RTS *In the Matter of the Joint Application of Sunflower Electric Power Corporation and SEP Corporation for Approval of the State Corporation Commission to Transfer Certain Public Utility Assets, to Set Certain Changes in Its Charges for Sale of Electricity to its Member Cooperatives, to Issue Evidences of Indebtedness and for Approval to Implement an Open Access Transmission Tariff.*

On September 26, 2002, Sunflower Electric Power Corporation and SEP Corporation (Sunflower) made a joint filing with the Commission to approve a corporate and debt restructuring agreement. This application consisted of a multitude of agreements and contracts and represented a final settlement of outstanding debt issues between Sunflower and its various debtors. Included in this agreement was an increase in Sunflowers annual revenue representing approximately one-half of the decrease from Docket No. 02-SPEP-247-RTS. On October 24, 2002, Sunflower filed an amended application revising its request to a Commission finding that entering into the various contracts and agreements was in the public interest. Because of the limited timeframe necessary for approval of the agreements, Sunflower had worked with Staff and CURB during its negotiations with various government and private creditors, prior to the filing. On November 4, 2002, Sunflower and Staff entered into a settlement agreement approving the application and the resulting increase in rates. On November 7, 2002, the Commission approved the settlement.

Docket No. 03-MDWE-421-ACQ *In the Matter of the Joint Application of Midwest Energy, Inc. and Westar Energy, Inc., Joint Applicants to Transfer to Midwest Energy, Inc. Westar Energy, Inc.'s Certificate of Convenience with Respect to Substantially All of Westar Energy, Inc.'s Local Distribution Facilities in Ellsworth, Rice, Pratt, Reno, Barton, Stafford, Pawnee and Edwards Counties.*

On November 1, 2002, Midwest Energy, Inc. (Midwest) and Westar Energy, Inc. (Westar) filed a joint application seeking approval for Westar to transfer its certificate to provide retail electric service for approximately 10,000 customers in Westar's western KPL territory to Midwest. As part of the agreement, Midwest has agreed to pay Westar approximately \$33 million. A prehearing conference was held on January 7, 2003 and a procedural order setting dates for testimony and hearings is expected soon.

X **Electric Issues Before the FERC**

In addition to following and reviewing FERC policy making the Commission has intervened in the following docket:

FERC Dkt. No. ER01-1305

On February 26, 2001, Westar Generating, Inc. (Westar), a non-jurisdictional subsidiary of Western Resources filed an initial rate schedule with the Federal Energy Regulatory Commission (FERC) for a 200 megawatt sale of electric generating capacity and energy to KPL, a division of Western Resources. This sale represents the entire output of Westar's 200-megawatt ownership share of Empire District Electric's 500-megawatt State Line Combined Cycle unit for a seven-year period, including the ability to extend the contract for an additional five years. Westar's filing requested a recovery of \$21,225,640 per year in capacity charges from its fellow Western Resources' subsidiary KPL. In May, 2002, Westar filed amendments in its application indicating

it believed it had understated the actual revenue requirement by \$2.65 million indicating it felt approximately \$23.9 million overall annual recovery of capacity costs was justified. The KCC intervened in this FERC proceeding and participated in two settlement conferences during the Summer of 2001. Following the second settlement conference Westar and the FERC Staff reached a settlement position, which essentially adopted a \$20,045,000 annual capacity charge and changed the contract terms for a fixed 12-year period. The KCC opposed the settlement and filed its position in October 2001. In December 2001 a FERC scheduling order allowed the KCC to continue discovery. On May 24, 2002, the FERC Staff, Westar and the KCC filed a joint settlement. This settlement established a rate formula with an annual true-up provision. Depreciation rates and overall rate of return were fixed and provisions for Western Resources to pay Westar 120% of the book value in case of sale were eliminated from the agreement. On September 5, 2002, the FERC conditionally approved the settlement.

Natural Gas

Docket No. 02-MDWG-922-RTS *In the Matter of the Joint Application of Midwest Energy, Inc. for an Adjustment of Its Natural Gas Rates in the State of Kansas.*

On May 31, 2002, Midwest Energy, Inc. (Midwest) filed an application requesting an increase in its annual revenues for natural gas service of \$5,704,716. Several parties have intervened in the docket including CURB, the Kansas Livestock Association (KLA), the Kansas Corn Growers Association (KCGA), and the Kearny County Gas Irrigators Association (KCGI). The Commission held an evidentiary hearing on December 10 and 11, 2002. At the hearing Midwest agreed to accept several adjustments proposed by other parties and modified the requested increase to \$4,948,549. On January 22, 2003, the Commission issued an order establishing a \$4,853,404 annual revenue increase and directing Staff and Midwest to present a rate design incorporating the revenue increase.

Natural Gas Issues Before the FERC

FERC Docket RP99-485

In September 1999, Kansas Pipeline Company (KPC) filed with the Federal Energy Regulatory Commission (FERC) in Washington, D.C. to increase the rates it charges for wholesale transportation of natural gas. KPC is an interstate natural gas company that transports wholesale natural gas to local distribution companies in Kansas and Missouri. KPC is a transporter of natural gas for Kansas Gas Service Company (KGS) of Overland Park, Kansas. KGS serves approximately 600,000 retail gas customers in Eastern and Central Kansas. KPC filed initial rates proposing a \$100 million rate base and a \$36 million cost of service.

The KCC intervened in this case and provided testimony that took issue with several areas of KPC's proposed cost of service. A hearing in this matter was held in Washington DC during October 2000. Subsequently, an Initial Decision was issued in July 2001. The Initial Decision affirmed many of the issues that the KCC pursued in this case. The FERC issued a final order on the Initial Decision on September 10, 2002. The final order provides for a rate base of \$47 million and a cost of service of approximately \$20 million. This is substantially less than the \$100 million rate base and \$36 million cost of service that KPC had requested. All of the parties

to the case, including the KCC and KGS, have asked FERC to review portions of the final order. Those requests are currently pending before the FERC.

On October 10, 2002, KPC was required to file rates that were in compliance with the final order. KPC filed rates that reflected a cost of service of \$20.8 million. All of the parties to the case, including the KCC and KGS, have asked FERC to review portions of the rates that KPC filed. Those requests are currently pending before the FERC.

FERC Docket CP96-152

This is a companion docket to KPC docket RP99-485. In November of 1995 the FERC asserted jurisdiction over three interconnected pipelines that subsequently became known as KPC. The contested issues in this docket concern the initial rates that the FERC should allow KPC to charge. Currently KPC's customers as well as the state commissions of Kansas and Missouri believe that the FERC has erred in setting KPC's initial rates. The FERC's rulings on this issue were appealed before the courts in Washington and remanded to the FERC in 2001. On November 9, 2001, the Commission issued an order on remand from the United States Court of Appeals for the District of Columbia Circuit. The November 9 order affirmed the initial rates approved for Kansas Pipeline Company (Kansas Pipeline) by the Commission's earlier order of April 30, 1998 in this proceeding, following the Commission's assertion of jurisdiction over Kansas Pipeline under Section 7 of the Natural Gas Act (NGA). The Order on Remand explained that affirming the approved initial rates was in the public interest since they were not exploitative of Kansas Pipeline's shippers and would ensure adequate revenues to maintain Kansas Pipeline's financial integrity, on an interim basis, until rates could be established under Section 4 of the NGA (in FERC docket RP99-485 discussed above). All of the parties to the case, including the KCC and KGS, have petitioned the United States Court of Appeals for the District of Columbia Circuit for further review of the Order on Remand. At this time the matter remains before the court.

FERC Docket RP02-143

This docket is also related to Kansas Pipeline Company docket RP99-485 above. In January, 2002 Kansas Gas Service (KGS), a major customer of KPC, filed a complaint against KPC at the FERC. The complaint requests that the FERC make a determination that a certain joint stipulation and agreement among the KCC, KGS, and KPC is not in violation of the Natural Gas Act and should be recognized by FERC as part of KPC's FERC gas tariff, and accordingly that KPC should abide by the agreement which would provide for substantial reductions in the transportation rates that KPC charges KGS. The KCC has intervened in this docket and will support KGS's claims that KPC should abide by the terms of the stipulation and agreement and reduce its rate to KGS accordingly.

On March 28, 2002, the FERC issued an order on a complaint filed by KGS against KPC. In its order the FERC; denied Kansas Gas Service's request that it find that KPC violated its tariff and the Natural Gas Act (NGA), reaffirmed an earlier determination that it is not interpreting or nullifying a contract between the parties, and issued an advisory opinion that a state court ruling on the parties' related contract claims would not impinge on the FERC's jurisdiction or violate the filed rate doctrine.

KPC sought rehearing of the March 28, 2002 order, asking the Commission vacate its advisory opinion. KPC also sought rehearing of FERC's analysis of the filed rate doctrine and FERC's statement that the parties' settlement amended certain contracts, and the Commission's refusal to address certain matters presented in the pleadings which KPC alleges lie within our jurisdiction and expertise.

On July 23, 2002 the FERC issued an order granting rehearing only as to the question of whether the parties' settlement amended certain contracts. The FERC denied rehearing as to all other issues raised by KPC. On September 20, 2002 KPC petitioned the United States Court of Appeals for the District of Columbia Circuit for review of the FERC's March 28, 2002 and July 23, 2002 orders in this docket. At this time the matter remains before the court.

FERC Dockets CP02-11, CP02-12, and CP02-13

These dockets pertain to a filing at FERC by Western Frontier Pipeline Company (a subsidiary of the Williams Company) to construct and operate a new interstate natural gas transmission system. Western Frontier proposes to construct approximately 400 miles of 30-inch diameter pipeline that would run from Northeastern Colorado to Northwestern Oklahoma. The system would be capable of transporting 540,000 Dth/d of natural gas. The pipeline would traverse Western Kansas near the Hugoton gas field and connect with several major interstate gas pipelines. The pipeline could provide local distribution companies in the state of Kansas with supplies of gas sourced in the central Rockies. Citing a downturn in the economy and lack of interest on the part of shippers, on June 21, 2002 Williams filed a motion to withdraw Dockets CP02-11, CP02-12, and CP02-13, and requested that the FERC suspend further processing of the dockets, effectively placing the pipeline project on hold until further notice.

Electric and Natural Gas

Docket No. 02-GIMX-211-GIV *In the Matter of a General Investigation Regarding the Cold Weather Rule.*

On September 18, 2001, the Commission opened a docket to consider various aspects of the Commission's Cold Weather Rule (CWR) including multiple pay arrangements, the good faith test and default provisions. On November 8, 2001, Commission Staff and various other parties met, including representative of five electric utilities, four gas utilities, CURB, the American Red Cross, the Salvation Army, the Kansas Department of Social Services, the Low Income Energy Assistance Plan (LIEAP), and the Kansas Electric Cooperatives. Since that meeting others have joined the docket including the American Association of Retired People (AARP). At the November 8 meeting, numerous topics were addressed including the scope of the investigation, the purpose of the CWR and alternatives to the existing requirements.

In March, 2002, the Commission received comments and/or reply comments from Staff, the City of Larned, CURB, Western Resources, Inc. (WRI), Kansas Gas & Electric Company (KGE), Kansas City Power & Light Company (KCPL), Kansas Gas Service Company (KGS), Midwest Energy, Inc. (Midwest), Greeley Gas Company (Greeley), The Empire District Electric Company (Empire), and Aquila, Inc. (Aquila). The Commission conducted a roundtable

discussion on April 17, 2002. Participating in the discussion were representatives of KGS, Empire, Aquila, Greeley, the American Red Cross, CURB Midwest, KCPL, AARP Kansas, WRI, KGE, Pioneer Electric Cooperative, Wheatland Electric Cooperative, the Salvation Army Heat Share Program, the Low Income Utility Coalition, and Staff. On May 8, 2002, the Commission issued an order, making minor modifications, clarifications and corrections to the CWR, but maintaining the major provisions of the rule.

Docket No. 03-GIMX-431-GIV *In the Matter of a General Investigation to Establish Criteria and Procedures for Recovery of Security Expenditures for Which Utilities May Seek Recovery Under SUB SB 545 Section 4.*

During the 2002 legislative session, Sub SB 545 was passed. Section 4 of this bill required the Commission to allow pass through of a "... 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..." On November 26, 2002, the Commission opened a generic docket to seek comments regarding a Staff memo outlining suggested filing requirements and objectives for Commission review of applications made under the new legislation. By December 20, 2002, the Commission had received comments from the majority of the larger Kansas electric and gas utilities. On December 30, 2002, Staff issued reply comments that modified Staff's position in response to comments received by the Commission. On January 6, 2003, the Commission issued an order requesting comments on Staff's revised recommendations. Responses from interested parties were received on or about January 17, 2003.

Pipeline Safety

X
02-GIMX-797-GIV: *In the Matter of a General Investigation into the Untimely Location Markings by Underground Facility Operators Subject to the Kansas Underground Utility Damage Prevention Act, K.S.A. 66-1801 et seq.*

In response to a previously filed complaint, the Commission opened a general investigation into untimely locate markings which is a violation of the Kansas Underground Utility Damage Prevention Act. The Act requires utilities to provide locates for their facilities within two business days of receiving a request from an excavator. As part of the investigation, Staff filed a report and recommendation that identified the Kansas City metropolitan area as the portion of the state in which late locates can be considered to be a problem. Staff noted that the passage of SB 490 by the 2002 legislature included several provisions that should alleviate the problem of late locates. This bill, which amended the Underground Utility Damage Prevention Act, became effective in January 2003. Staff agreed with the regulated utilities that the amended law should be given the opportunity to operate before deciding if further investigation is needed. SB 490 also required the Commission to prepare regulations in support of the Act. Staff is in the process of preparing these regulations and intends to include damage reporting requirements in the regulations. These statistics are expected to provide a benchmark of the effectiveness of the amended law.

✓ **Other Activities (Pipeline Safety)**

Minimizing damage to underground gas lines continues to be a high priority for Commission pipeline safety staff. Last year, we reported on the federal damage prevention grants that were awarded to three Kansas non-profit associations. These grants, administered by the Commission, will serve to increase awareness of underground utility damage prevention laws and improve communication between utilities and the excavating industry. The grants are as follows:

Mid America Regional Council, (MARC): Awarded a grant of \$242,000 to develop and implement uniform damage prevention best practices by cities and counties in the Kansas City metropolitan area. A list of best practices, tailored to the needs of the metropolitan area, has been prepared for the 2002 digging season. The practices are expected to be implemented by several cities through local ordinances or through right-of-way management policies.

Kansas Rural Water Association, (KRWA): Awarded a grant of \$326,000 for GIS database development and mapping of rural water infrastructure for damage prevention program. In conjunction with the Kansas water office and the Kansas Department of Health and Environment, KRWA is now the process of providing mapping services for rural water facilities and small municipal utility systems.

Kansas One Call, Inc. Completed one grant for a total of \$16,000. This grant allowed Kansas One Call to distribute 200 hand-held GPS units across the state to encourage their usage by the excavating industry. Kansas One Call accepts latitude and longitude coordinates as the description of an excavation site. The use of this concept appears to be gaining popularity but it is not yet a widespread practice.