

Approved: March 8, 2005
Date

Carl Dean Holmes

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:09 a.m. on January 25, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Melody Miller - Excused
Representative Judy Showalter - Excused
Representative Tom Sloan - Excused

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

Conferees appearing before the committee: John Olsen, Westar Energy, Topeka, KS

Others attending: See Attached List

Chairman Holmes asked for bill introductions. Representative Kuether moved to introduce a committee bill dealing with conservation and energy efficiency. Representative Svaty seconded the motion. The motion carried. Representative Krehbiel requested a committee bill be introduced that would put penalties in place for 'phishing' and internet abuse. Representative Watkins seconded the motion. The motion carried.

Chairman Holmes announced to the committee that a tour of Wolf Creek Nuclear Power Plant was being planned for April 26. More information would be forthcoming.

Chairman Holmes welcomed John Olsen, Executive Director of Power Marketing for Westar Energy, to the committee. Mr. Olsen's presentation to the committee concerned long-term power supply in Kansas (Attachment 1). He detailed the company's generating capacity and generation portfolios. Mr. Olsen also spoke on the various obligations for providing electricity that occur at typical times throughout the year. Mr. Olsen responded to questions from the committee. Additionally, Doug Sterbenz, Senior Vice President, Generation and Marketing and Jim Ludwig, Vice President, Public Affairs, both of Westar Energy, Topeka, KS, responded to questions from the committee.

The meeting adjourned at 10:32 a.m.

The next meeting is a joint meeting with Senate Utilities on January 26, 2005 at 9:30 a.m.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 25, 2005

NAME	REPRESENTING
David Springer	Curbs
John Oken	Westar Energy
DAUG STERBENZ	WESTAR ENERGY
JAMES LUMWIG	WESTAR
Lee Alkrow	Gov's office
Zach Cobble	Intern Rep. Showalter
Jeff Botenberg	Botenberg & Associates
LARRY BERG	MIDWEST ENERGY
Kristina Hilboldt	Intern Rep. Watkins
BRUCE GRAHAM	KEPCO
Steve Miller	Sunflower
TOM DAY	KCC
Kimberly Gencur	Aquila
MARK SCHREIBER	Westar Energy
Sandra Braden	Heat Plains/KCPL
Charles Benjamin	KS Sierra Club
Whitney Jara	ES Gas Service



Long-Term Power Supply

Presentation to the Kansas
House Utilities Committee

By

John Olsen

Executive Director, Power Marketing

January 25, 2005

HOUSE UTILITIES

DATE: 1-25-05

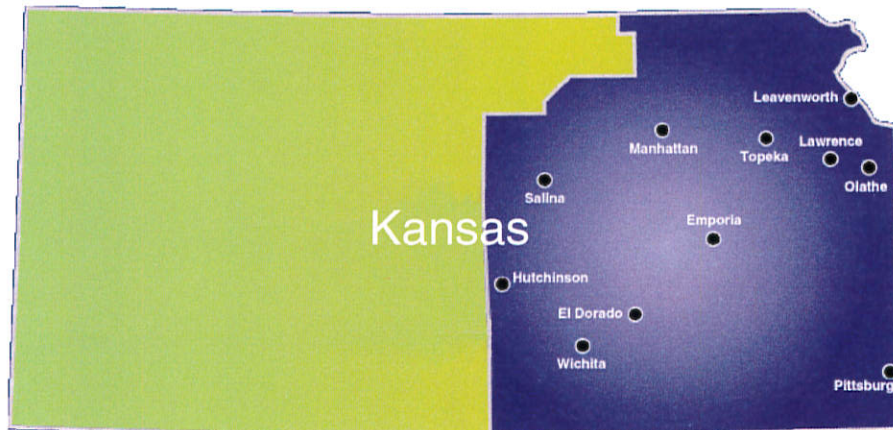
ATTACHMENT 1

Westar Utility Operations

2-1

Kansas' largest electric provider

Service Territory



Key Operational Facts:

644,000 customers

6,000 MW of generation

20% Planning Reserve
Margin for 2004 (SPP
Requirement)

11,000 sq mile service territory

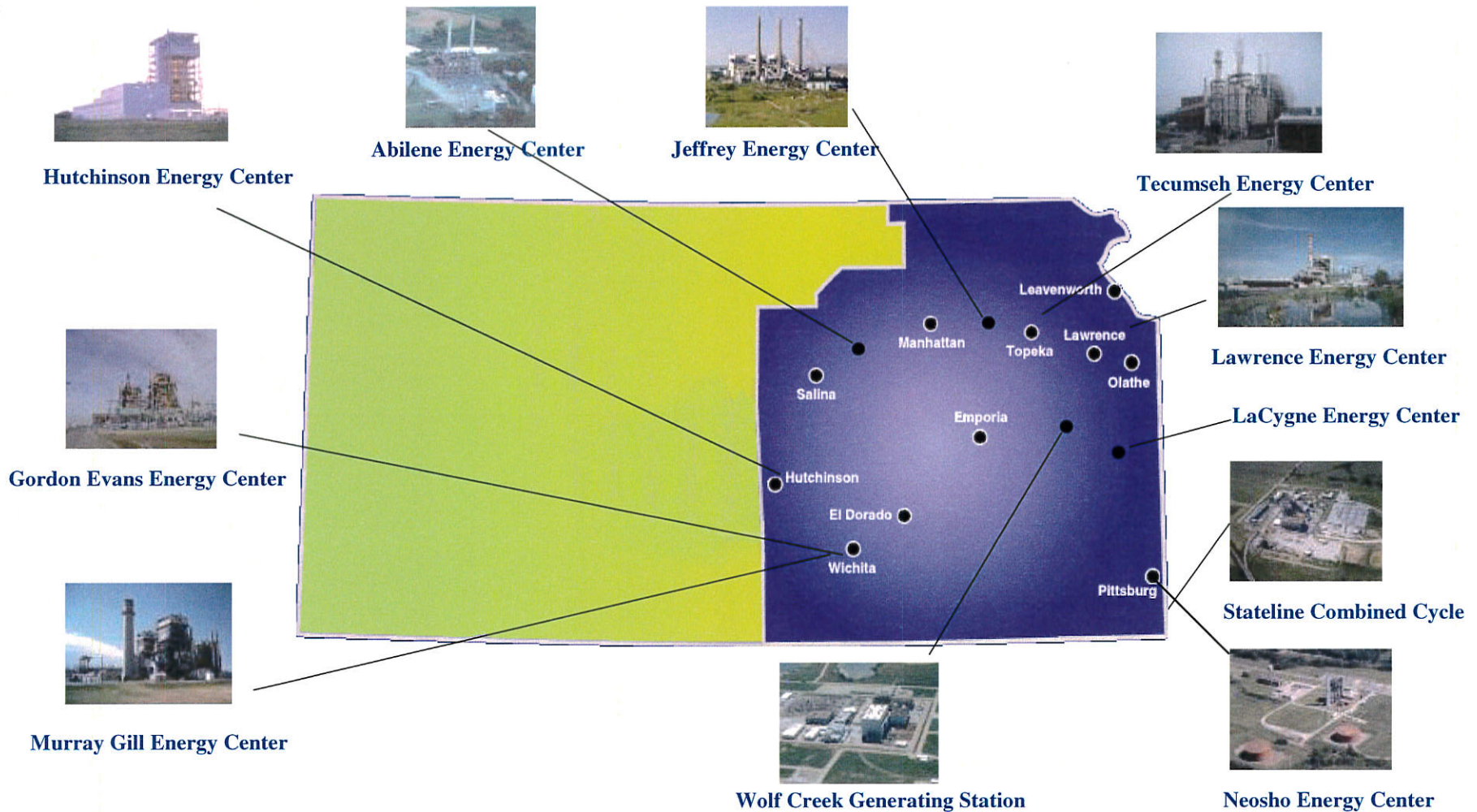
34,500 miles of T & D

2,000 employees

Westar Energy's Generating Capacity

Coal Nuclear Gas / Oil Wind

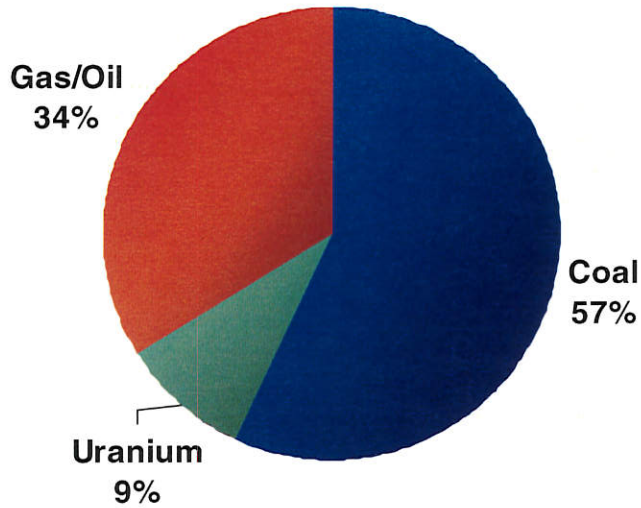
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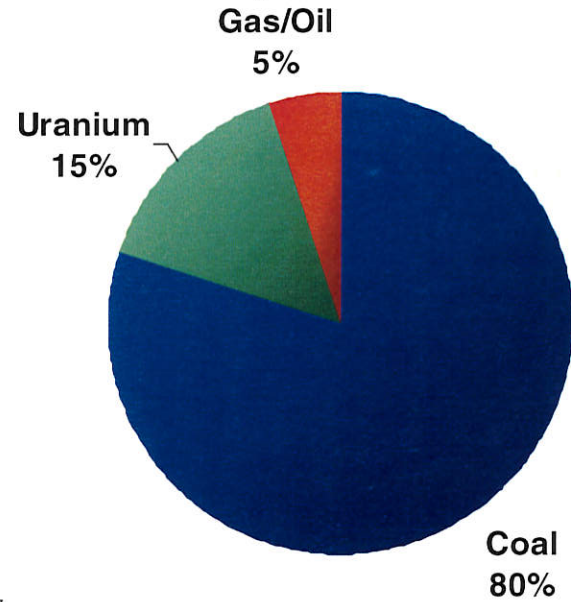
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Competitive Low-Cost Generation Portfolio

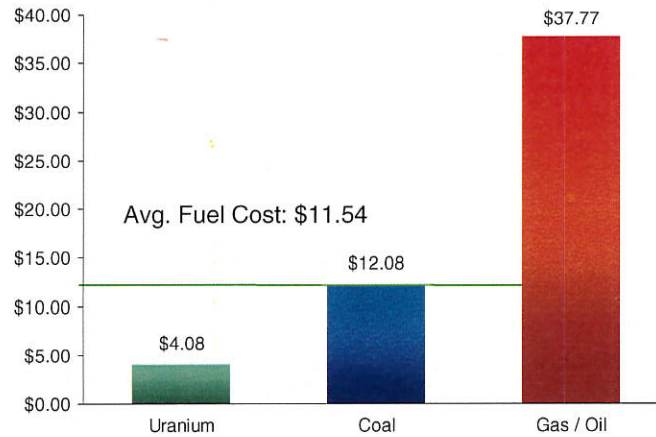
Installed Capacity



As Optimized



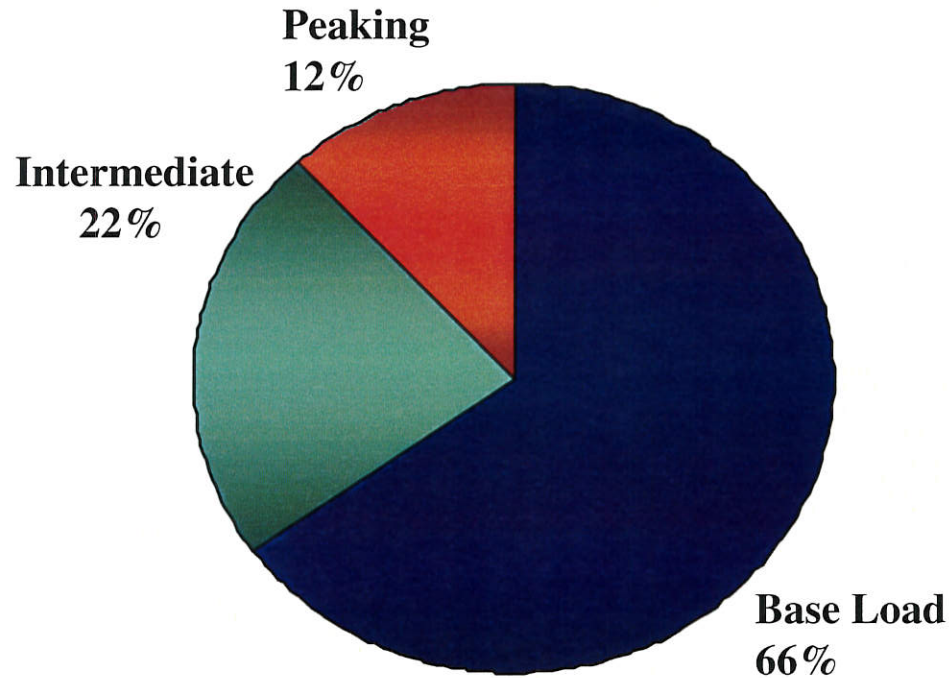
Fuel Cost by Source \$/MWh



Westar Energy's Capacity Profile

51

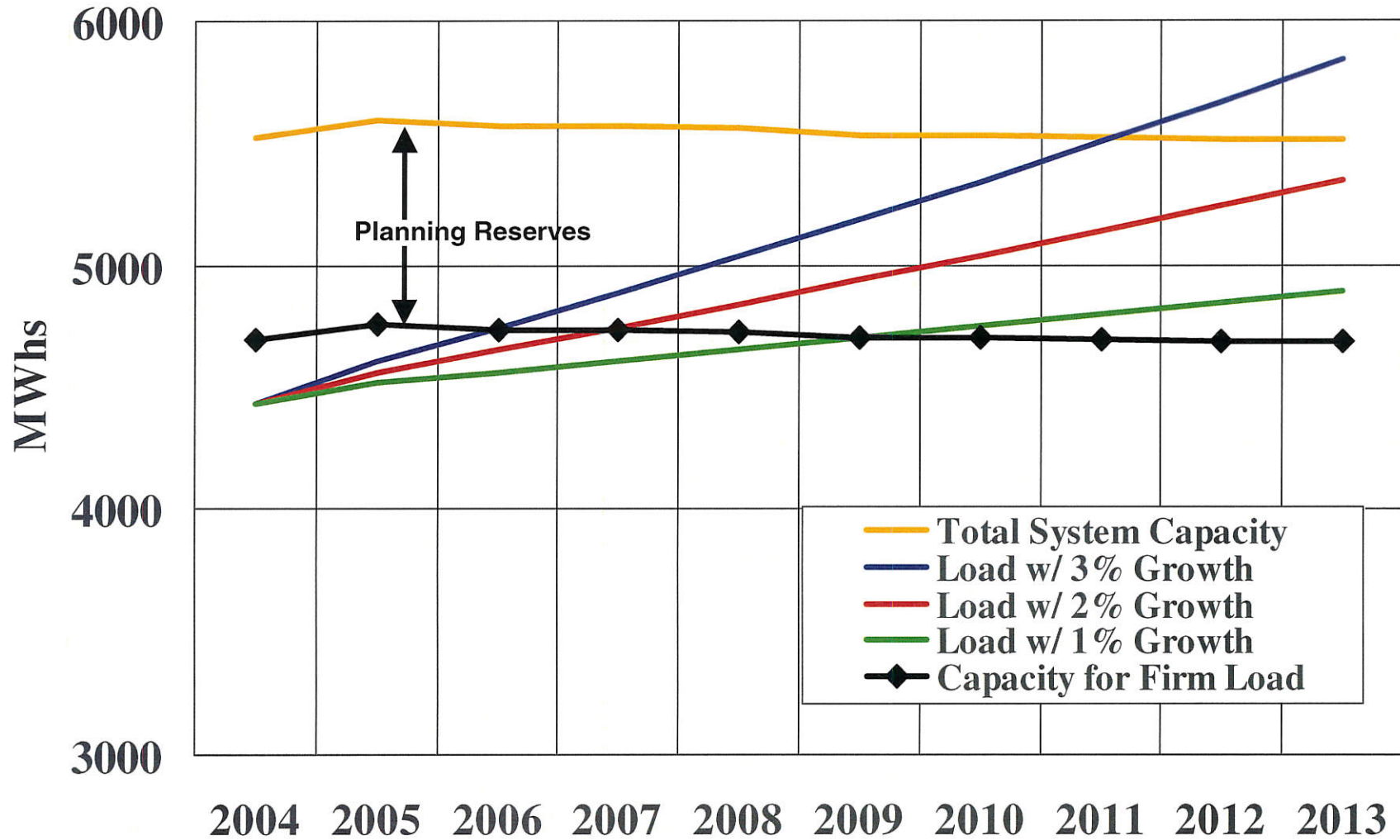
Capacity (Nameplate)



- Base Load – Operates at a constant rate over a long period of time.
- Intermediate – Operates occasionally to bridge the energy needs between Base Load and Peaking resources.
- Peaking – Operates briefly during peak load times to meet the energy needs above the Intermediate resource and during emergency system conditions.

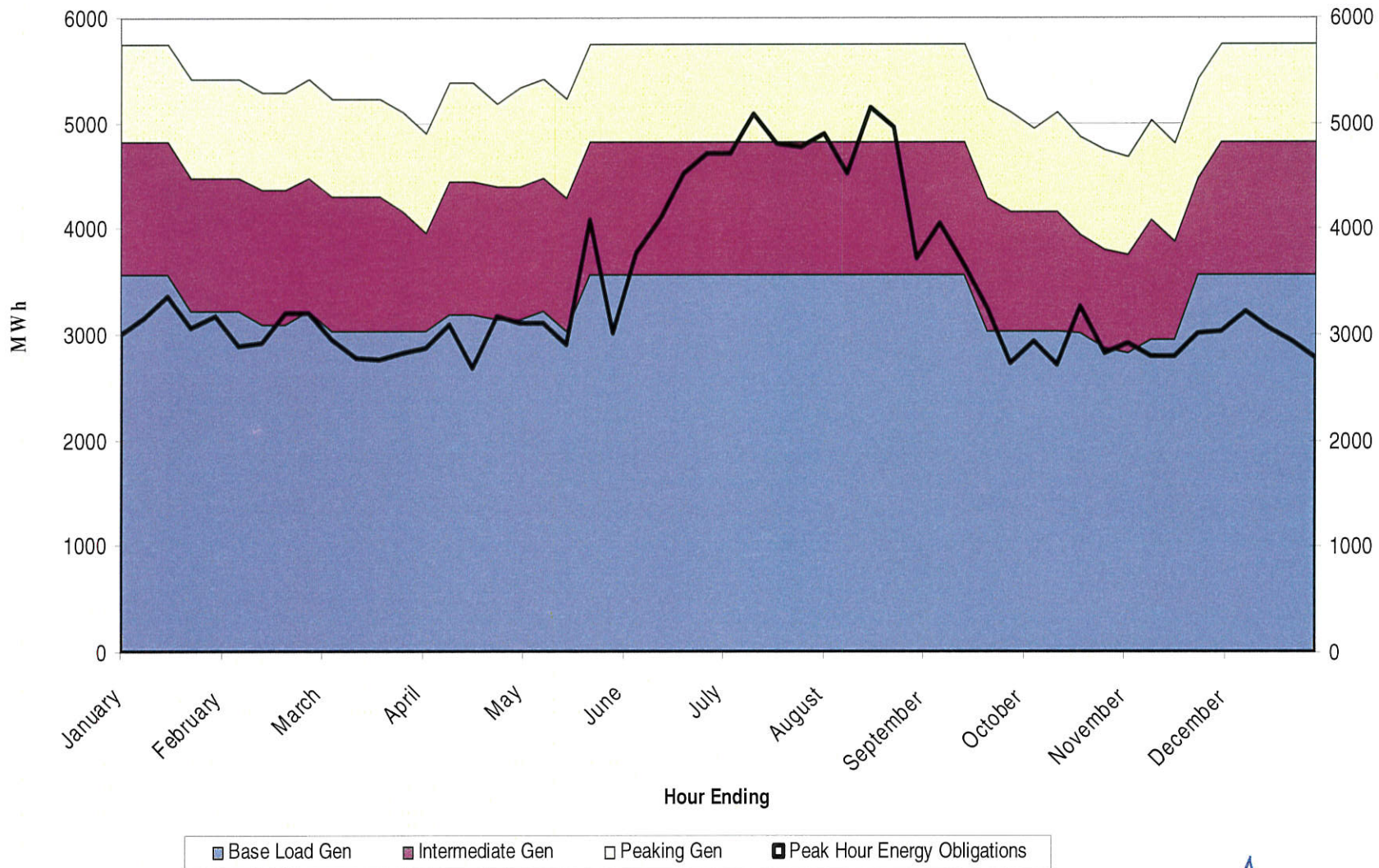
Load and Capability Forecast 2004 - 2013

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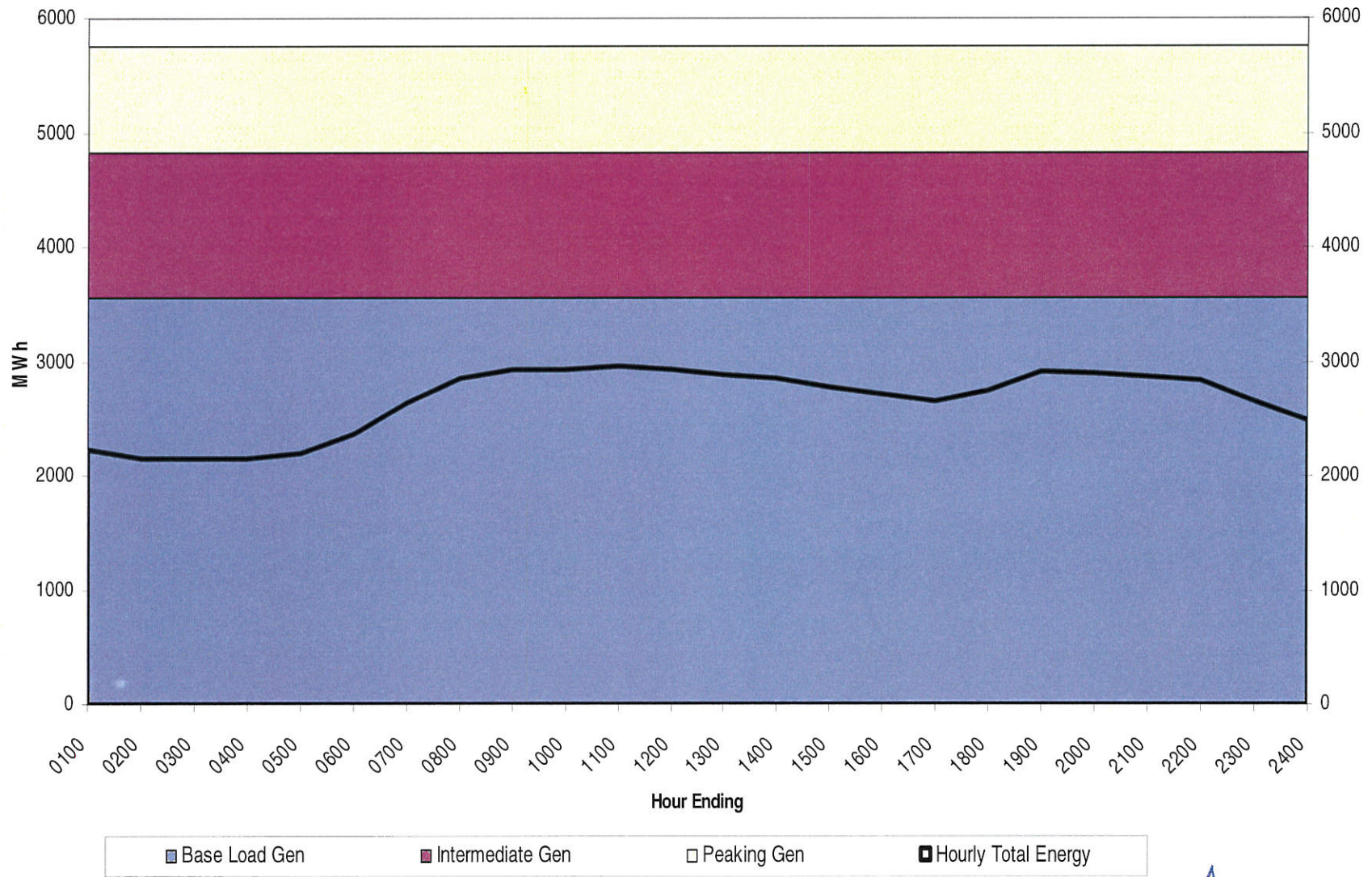
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Weekly Peak Obligation



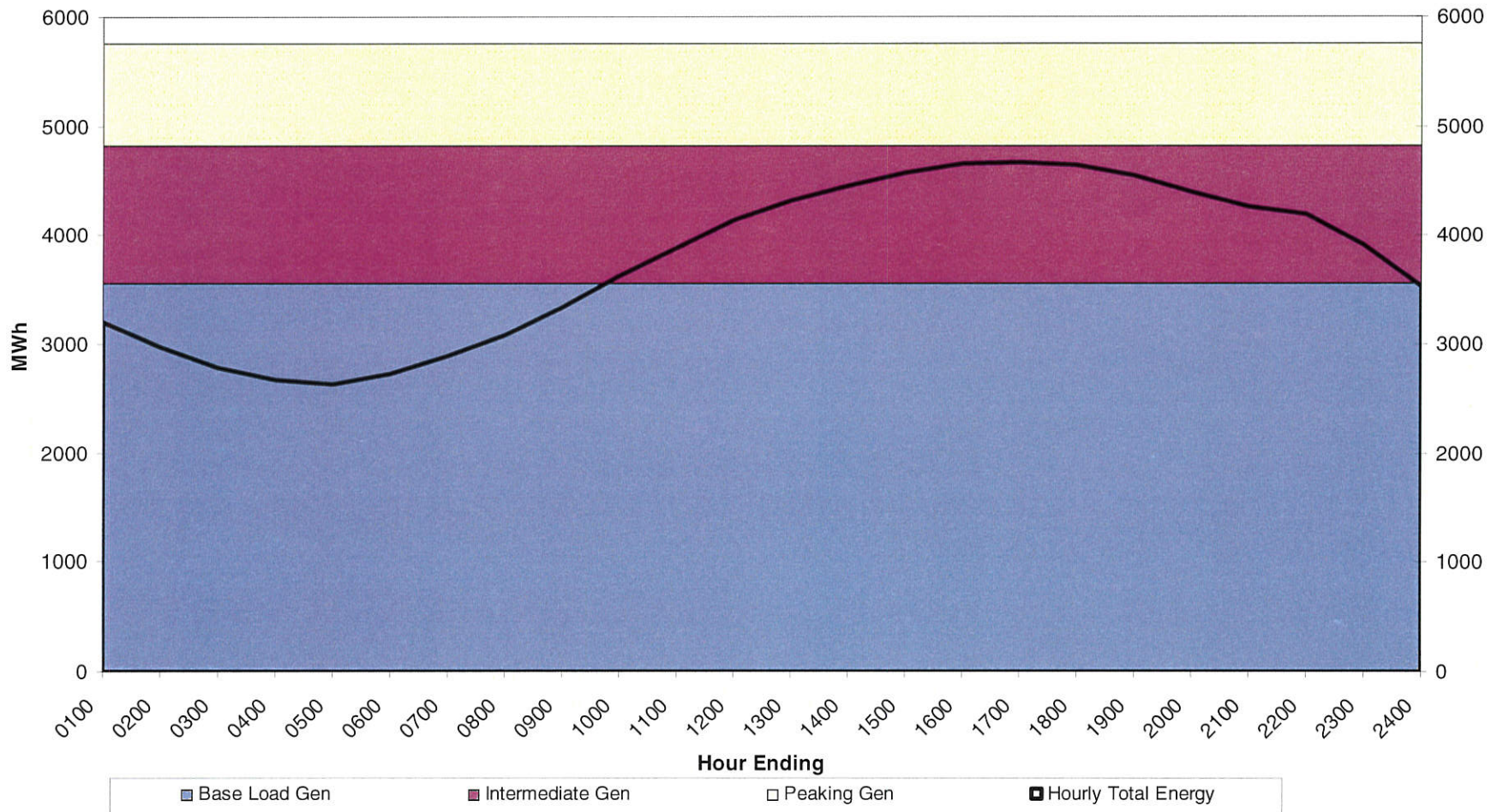
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Typical Winter Day Obligation



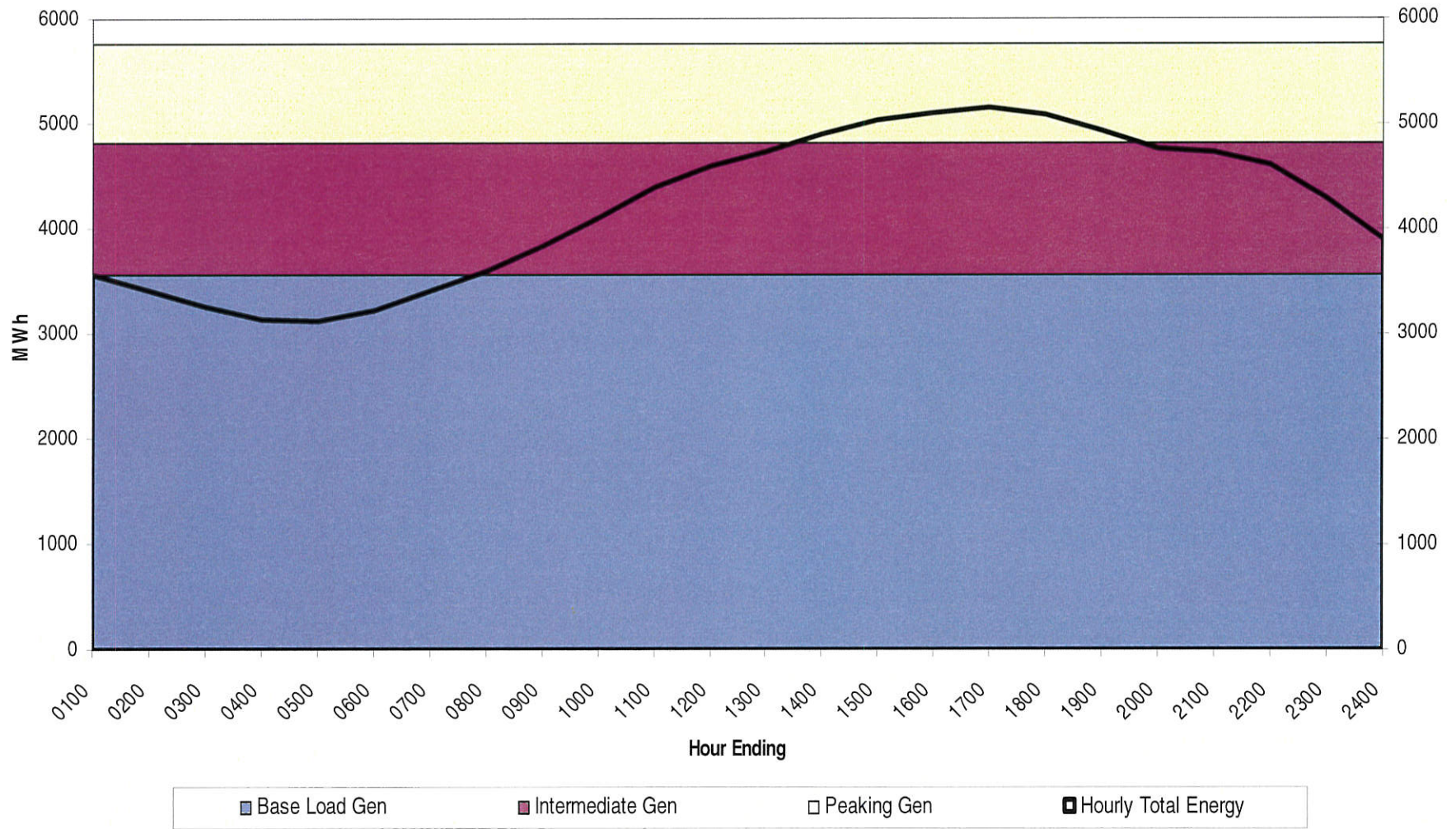
Typical Summer Day Obligation

9-1



01-1

Peak Day Obligation



New Plant Characteristics

	55 MW Aero-CT (Peaking)	150 MW Combustion CT (Peaking)	500 MW CC (Intermediate)	600 MW Coal (Base Load)	Wind (????)
Capital Cost (\$/KW)	\$450	\$360	\$510	\$1,400	\$1,300
Heat Rate (Btu/kWh)	10,400	10,800	7,120	9,700	N/A
Variable O&M (\$/MWh)	\$2.75	\$2.00	\$2.00	\$1.40	\$5.00
Fixed O&M (\$/KW-year)	\$6.00	\$6.00	\$13.00	\$40.00	\$25.00
Capacity Factor	10%	10%	25%	80%	40%
Total Cost (\$/MWh)*	\$157.50	\$138.20	\$84.20	\$46.50	\$30.00

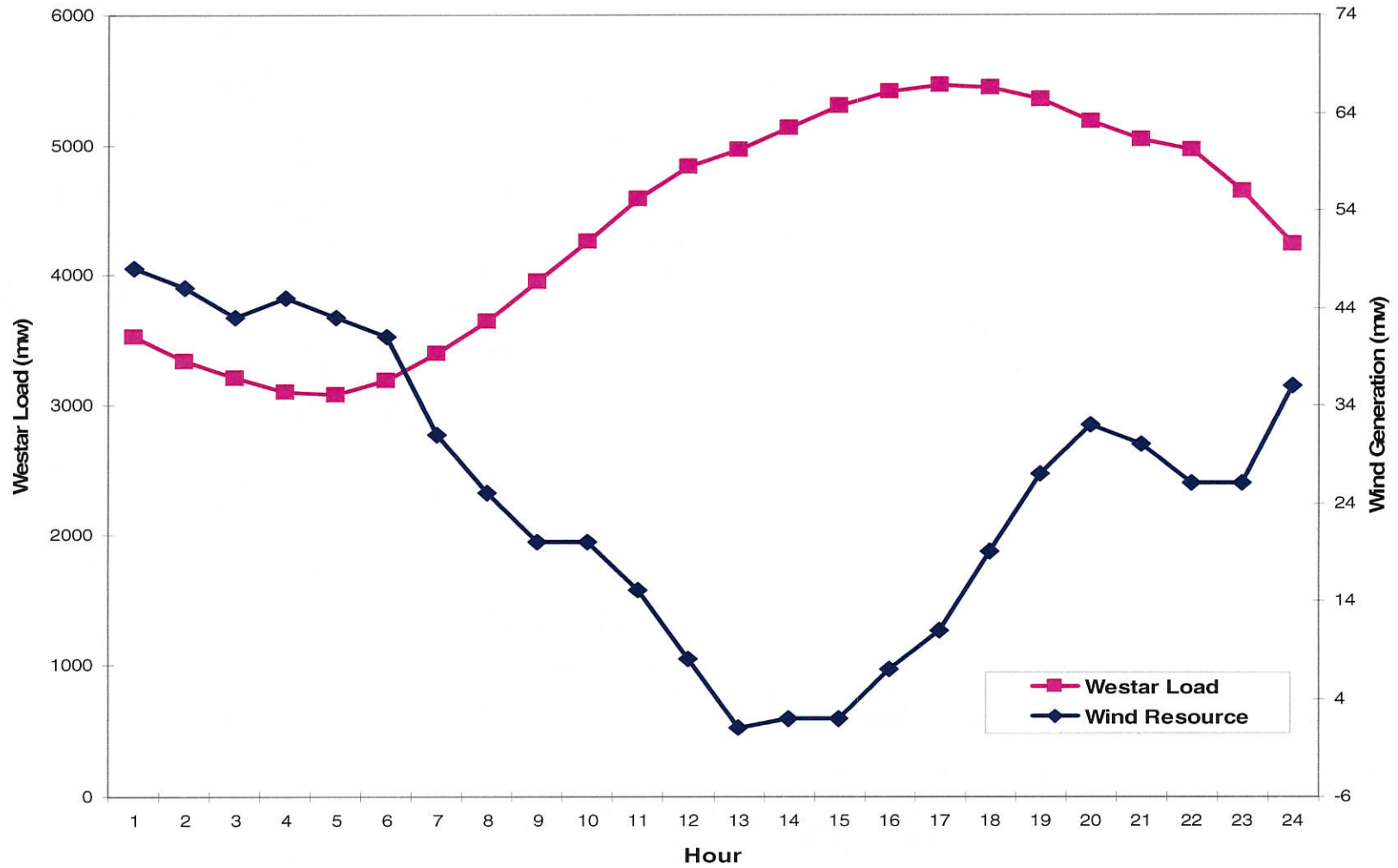
CT = Combustion Turbine CC – Combined Cycle

* Based on \$5.00/MMBtu Natural Gas Prices; \$0.75/MMBtu Coal Price

21-1

Monthly Wind Energy Profile

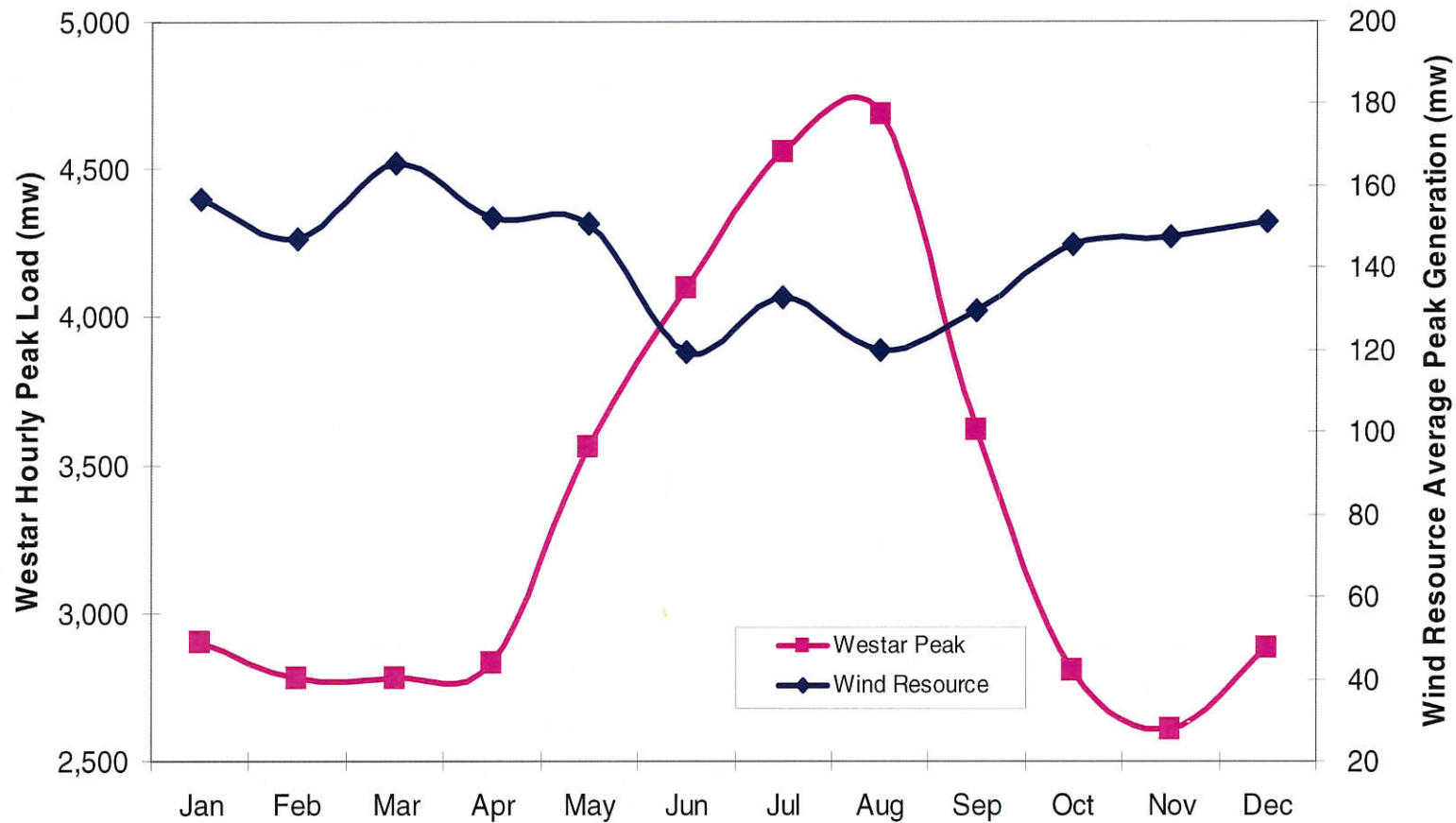
Westar Load vs. WFE's Blue Canyon Windfarm (Oklahoma) generation for 8/02/2004



1-13

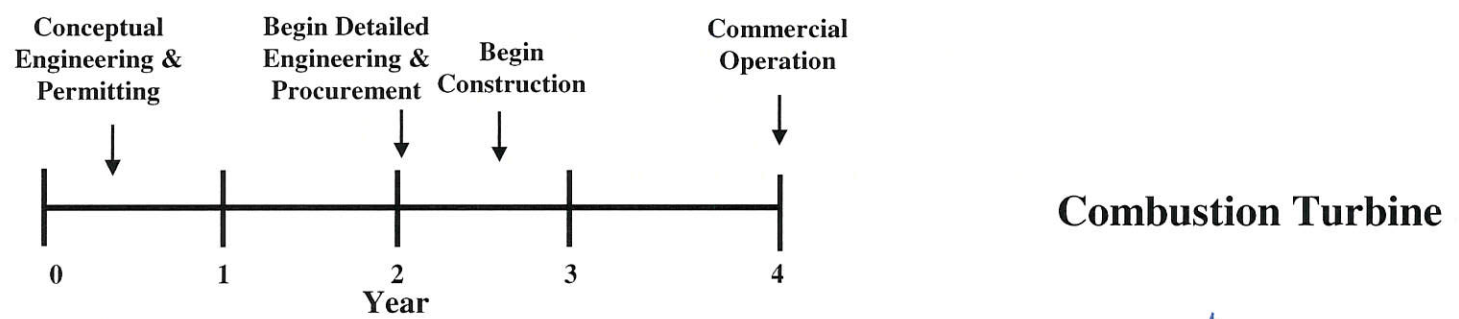
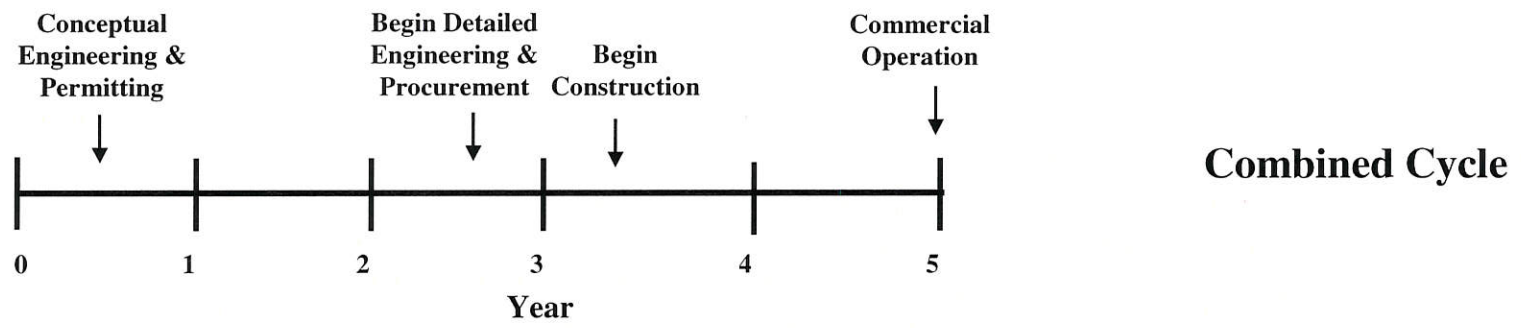
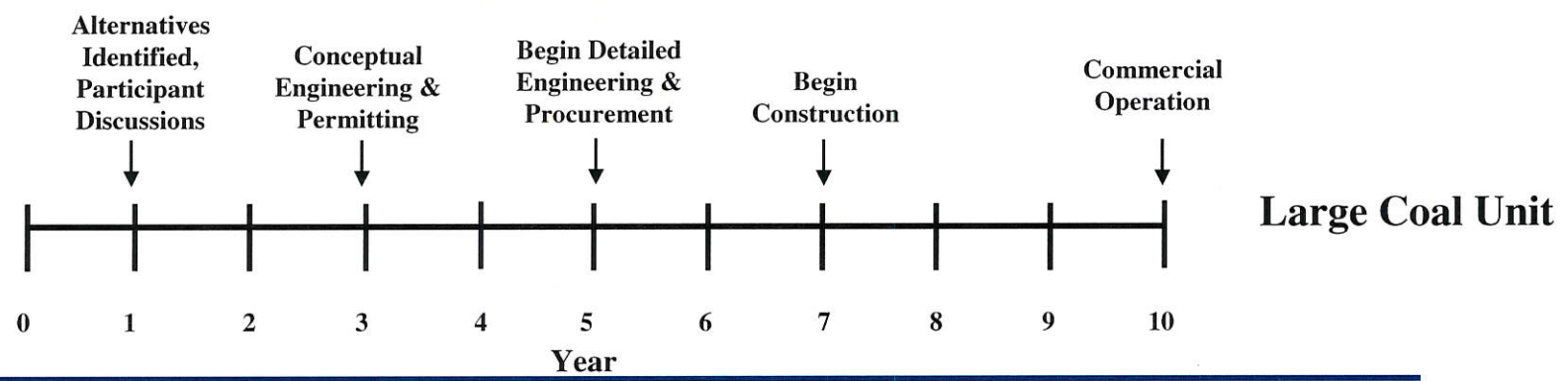
Wind Resource Correlation with Summer Load

Westar Control Area Load vs. Expected Peak Generation from 200-MW Wind Resource



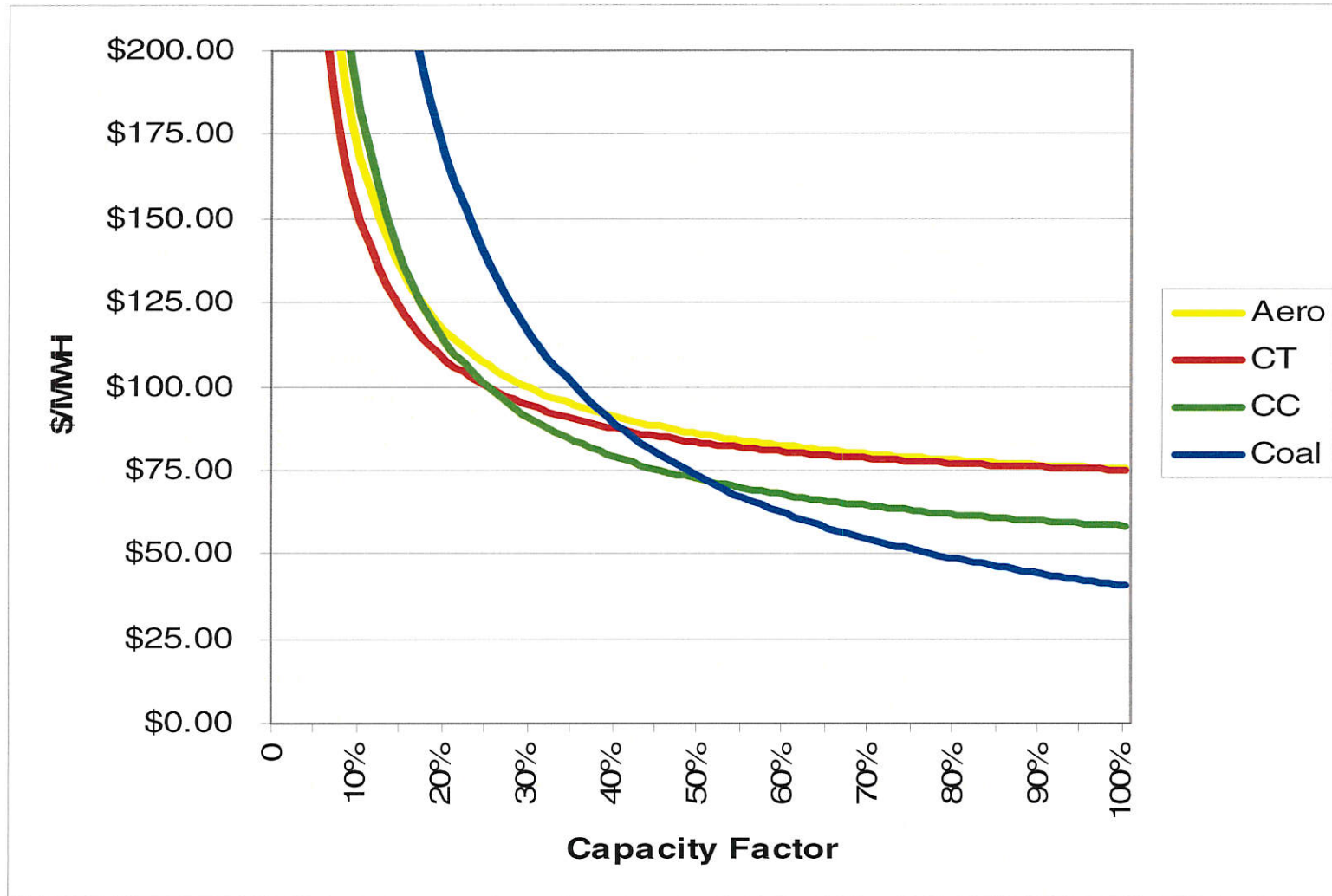
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Typical Construction Timelines



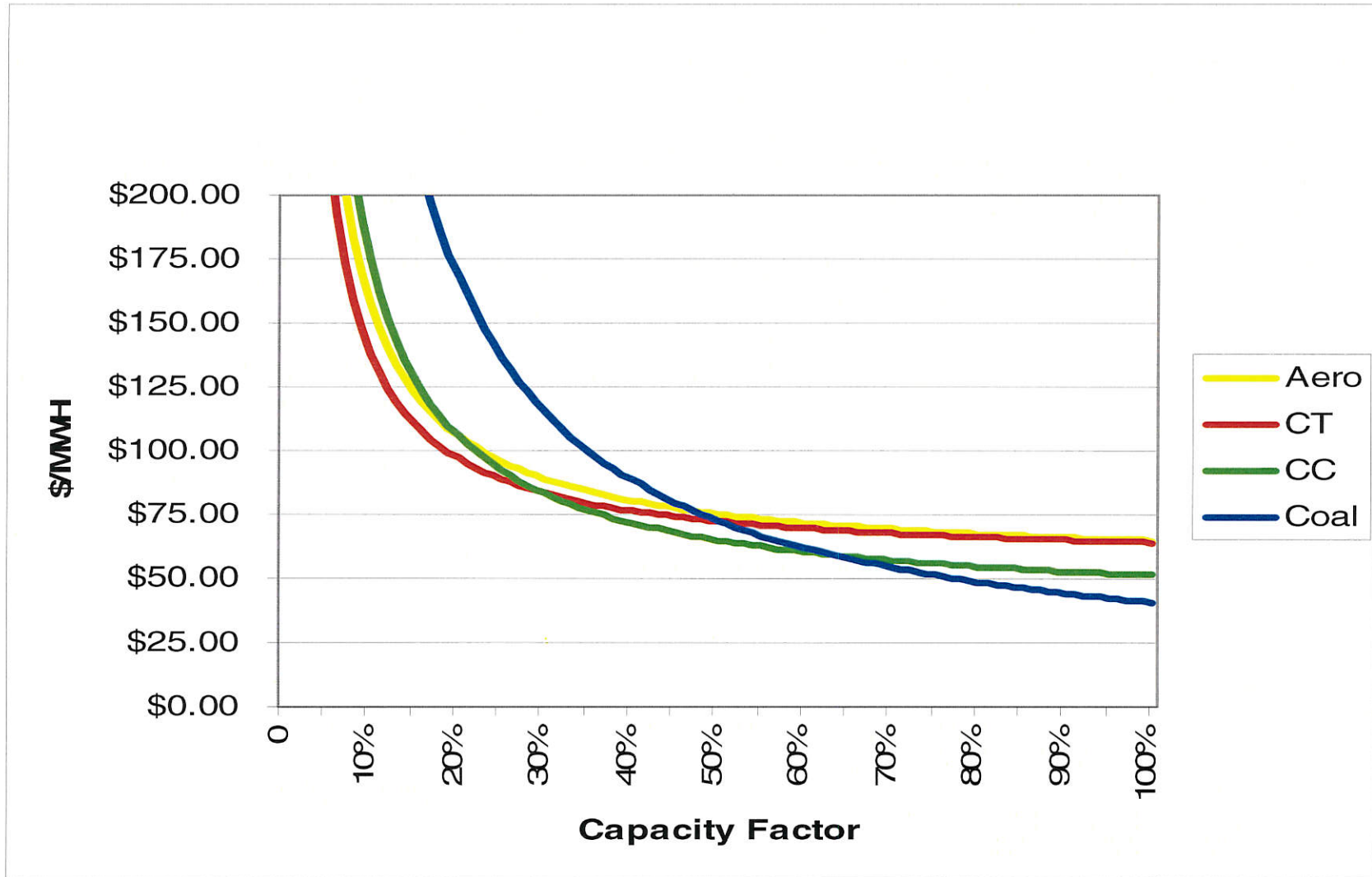
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Unit Cost Comparisons – Gas @ \$6.00



Unit Cost Comparisons – Gas @ \$5.00

2/1-1



1-1-1

Questions?