

Approved: March 2, 2006
Date

MINUTES OF THE HOUSE UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on February 7, 2006 in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Mary Galligan, Kansas Legislative Research
Dennis Hodgins, Kansas Legislative Research
Mary Torrence, Revisor's Office
Rena Hansen, Committee Secretary
Heather Klaasen, Revisor Intern

Conferees appearing before the committee:

Joe Harkins, Special Assistant to the Governor

Others attending:

See attached list.

Chairman Holmes opened the meeting by taking suggestions from committee members on issues that they would like to hear special presentations on. Some ideas suggested were: renewable energy and where Kansas is as a state on this issue, a special presentation by one of the FERC commissioners, Goodland Energy Center, and/or a Joint Committee on Energy report by staff.

Joe Harkins, Special Assistant to the Governor, (Attachment 1), presented testimony from the Governor's office about the Kansas Energy Council containing current appointed members, a schedule of meetings, and a summary of plans that the special committee has in creating a working document on different energy issues.

Action on:

HB 2592 **Liens for utility services provided by municipally owned or operated utility.**

Representative Don Myers presented a balloon amendment (Attachment 2).

Representative Don Myers moved to accept the balloon amendment to **HB 2592**. Seconded by Representative Peggy Mast.

Discussion on the balloon followed by Representatives: Tom Sloan, Forrest Knox, and Peggy Mast.

Representative Don Myers closed on the motion.

Motion Passed.

Representative Peggy Mast moved to pass **HB 2592** out favorably as amended. Seconded by Representative Jim Morrison. Motion Carried.

Representative Peggy Mast will carry the bill on the House floor.

Action on:

HB 2642 **Energy policy advisory group established; state energy plan.**

Representative Tom Sloan presented a balloon amendment (Attachment 3).

Representative Tom Sloan moved to amend **HB 2642** with said balloon. Seconded by Representative Annie

CONTINUATION SHEET

MINUTES OF THE House Utilities Committee at 9:00 A.M. on February 7, 2006 in Room 231-N of the Capitol.

Kuether.

Discussion on the motion followed, by Representatives: Peggy Mast, Melody Miller, Lynne Oharah, Don Myers, Tom Hawk, Jason Watkins, Annie Kuether, and Tom Sloan.

Representative Tom Sloan closed on the motion.

Motion on the balloon passed.

Discussion then continued on the amended bill, **HB 2642**. Participating in discussion were Representatives: Carl Krehbiel, Josh Svaty, Forrest Knox, Don Myers, Tom Sloan, Vaughn Flora, Lynne Oharah, and Annie Kuether.

Representative Carl Krehbiel moved to table **HB 2642**. Seconded by Representative Rob Olson. Motion to table passed 11-9.

Action on:

HB 2657 **Recovery of certain amounts spent by electric or natural gas public utility for customer energy efficiency and conservation programs.**

Representative Tom Sloan presented (Attachment 4), information on the successful use of smart cards for electric payment in the city of Phoenix, Arizona. Additionally, he presented (Attachment 5), a balloon amendment for **HB 2657**.

Representative Tom Sloan moved to accept the amended version of **HB 2657**. Seconded by Representative Tom Hawk.

Discussion on **HB 2657** then took place by Representatives: Lynne Oharah, Carl Krehbiel, Tom Sloan, Josh Svaty, Tom Hawk, Annie Kuether, Melody Miller, and Margaret Long.

Motion passed.

Because of the nature of the complete change of **HB 2657** it was decided to finish working this bill on Friday, February 10, 2006.

The next meeting is scheduled for February 8, 2006.

Meeting Adjourned.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 7, 2006

NAME	REPRESENTING
Bruce Smead	KEC
David Sprunge	Curb
Lindsay Douglas	Hein Law Firm
Erik Wisner	KS Dept. of Ag
Tom Day	KCC
EO JASKINIA	TALK
Susan Duff	KCC
Joe HARKINS	GOV. OFFICE.
Liz Brosius	KEC
Larry Hollaway	KCC
Lon STANTON	Northern Natural Gas Co.
Kimberly Johnson	Aquila
Mary Jane Staniewicz	KGFA
Steve Golden	Intern, Rep. F. Miller
REP. FRANK MILLER	AUTHOR OF BILL 2592
Charles Benjamin	KS Sierra Club
Sandy Jaquet	LKM
JOHN C. BOTTEBERG	Wostar Energy
PHIL WAGGS	KEPCO
HARRY BEEB	MIDWEST ENERGY

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 7, 2006

NAME	REPRESENTING
Steve Johnson	Kansas Gas Service / ONEOK

TESTIMONY TO THE HOUSE UTILITIES COMMITTEE

February 6, 2006

REGARDING THE KANSAS ENERGY COUNCIL

By

Joe Harkins, Special Assistant to the Governor

HOUSE UTILITIES

DATE: 2/7/06

ATTACHMENT 1

Kansas Energy Council Members

Ken Frahm, KEC Chair	Electricity from Renewables
Richard Anderson	League of Kansas Municipalities
Tim Carr	Designee of the State Geologist
Patricia Clark	Designee of the Secretary of Commerce
David M. Dayvault	Energy Tax and Revenue Specialist
Sarah Dean	Energy and Environmental Issues
Joe Dick	Municipal Electric Utilities
Stephen Dillard	Oil Producers
Mike Hayden	Secretary of Wildlife & Parks
Gregory Krissek	Energy and Agriculture
Stuart S. Lowry	Rural Electric Cooperatives
Galen B. Menard	Petroleum Refiners
Gene L. Merry	Association of Counties
Brian J. Moline	Kansas Corporation Commission Chair
Richard G. Nelson	Renewable Energy Resources
Mark Schreiber	Investor-owned Electric Utilities
Adrian J. Polansky	Secretary of Agriculture
Bruce Snead	Energy Efficiency and Conservation
David R. Springe	Consumer Counsel, CURB
Tracy D. Streeter	Director of State Water Office
Michael J. Volker	Energy Economist
Curt Wright	Petroleum Marketers
<i>Vacancy</i>	<i>Natural Gas Producers</i>

CONCEPTUAL 2006 PLANNING SCHEDULE

(Draft 12-22-05)

Assumption: Council will work as a Committee of the Whole in 06.

November 14, 2005

1. KEC staff develops an up-dated list of issues identified in the KEC process
2. Governor's staff reviews and ranks issues

November (by Nov. 18th)

1. Governor reviews and chooses preferences

November 21, 2005

1. Meeting of legislative leaders, KEC Chair, KEC staff to share Governor's priorities and obtain legislator's priorities.

December 15, 2005 (**KEC MEETING**)

1. Council meets and selects priority issues after considering priorities identified by legislative leaders and the Governor.

January, February, March, April, May 2006

1. KEC staff submits funding request to KCC for project funding (limited to conservation and renewables)
2. Staff/contractors prepare technical background papers on each issue.
3. Staff/contractors prepare preliminary drafts of plan sections.

March 15, 2006 (**KEC MEETING**)

1. Council meets to be updated on status of projects.

June 28, 2006 **(KEC MEETING)**

1. KEC reviews background papers.
2. KEC reviews draft plan documents.
3. KEC decides to move forward, modify, or terminate work on each section.

July

1. Staff develops second draft of plan sections.

August 30, 2006 **(KEC MEETING)**

1. KEC reviews and approves plan sections for release for public comment.
2. Post plan sections on web site.
3. Open public comment period with PSA's and list serve announcements.

September/October

1. Staff prepares final drafts based on public comments.

November 15, 2006 **(KEC MEETING)**

1. KEC reviews, modifies, approves, or disapproves final drafts.

December

1. Plan sections incorporated into annual report to the Governor and Legislature.

KEC Taxonomy for Kansas Energy Plan
Draft 1-20-06
(Derived from the North Carolina Plan-2005 Edition)

Chapter 1: Planning Process

Chapter 2: Energy, Economics, and the Environment

- Energy and the State's Economy
- Energy and the State's Environment
- Carbon Management

Chapter 3: Fossil and Nuclear Fuels

- Natural gas production in Kansas
- Petroleum production in Kansas
- Propane production in Kansas
- Coal production in Kansas
- Coal gasification
- Nuclear Energy use in Kansas

Chapter 4: Alternative Fuels from Biomass

- Solid Waste and Landfill Gas Reclamation
- Fuels from Agriculture
- Biomass for Ethanol
- Biomass for Electrical generation
- Biodiesel

Chapter 5: Wind Energy

- Commercial Wind
- Community Wind
- RPS

Chapter 6: Alternative Energy Sources

- Solar Energy
- Hydroelectric Energy
- Fuel Cells

Chapter 7: Electrical Utilities and Energy Use

- The Structure of the State Electricity Market
- Reserve Capacity
- Transmission System
- Reserve Capacity
- Demand Side Management
- Green Tag Program
- Pricing Mechanisms
- Risk Mitigation

Chapter 8: Energy Use in the Public Sector

- State Government
- Local Government
- Public Schools

Chapter 9: Energy Use in the Residential Sector

- Efficiency Measures (such as building codes)
- Community Planning
- Mitigation Programs
- Affordability

Chapter 10: Energy Use in the Commercial Sector

- Efficiency Strategies

Chapter 11: Energy Use in the Industrial Sector

- Efficiency Strategies

Chapter 12: Energy Use in the Transportation Sector

- Vehicle Efficiency
- Alternative Fueled Vehicles
- Speed Limit Compliance
- Mass Transit Strategies
- Rail

Chapter 13: Energy Use in the Agricultural Sector

Chapter 14: Energy Education

- K-12
- Public

Chapter 15: Integrated Energy Systems

Chapter 16: Research and Demonstration Needs

Chapter 17: Funding for Energy Programs

- Public Benefits Fund?

2007 ENERGY PLAN PRIORITIES

Chapter 1: **Planning Process** (complete)

Chapter 5:

- Commercial Wind
- Community Wind
- RPS

Chapter 12: **Energy Use in the Transportation Sector**

Chapter 13: **Energy Use in the Agriculture Sector**

Due to the work previously done at KCC on RPS and materials available from the Western Governor's Association, it will probably be possible to add the following chapters:

Chapter 8: Energy Use in the Public Sector

Chapter 9: Energy Use in the Residential Sector

Chapter 10: Energy Use in the Commercial Sector

Chapter 11: Energy Use in the Industrial Sector

HOUSE BILL No. 2592

By Representatives F. Miller, Goico, Grange, Huy, Kiegerl, Knox,
McCreary, Judy Morrison, Oharah, Peck and Pilcher-Cook

1-11

10 AN ACT concerning municipalities; relating to utilities services; also re-
11 pealing K.S.A. 2005 Supp. 12-631k, 12-631z, ~~12-1,124~~, 12-860, 14-569
12 and 19-2765b.

12-6,124

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. (a) Except as provided in subsection (b), if any person,
16 firm, corporation, organization, political or taxing subdivision of the state
17 or other entity other than the state of Kansas and the federal government
18 residing, occupying, using or operating on property to which is provided
19 utility services by a utility owned or operated by a municipality, neglects,
20 fails or refuses to pay the fees or charges for such service, the unpaid fees
21 or charges shall constitute a lien upon the property to which such utility
22 service is provided. The amount of the unpaid fees or charges shall be
23 certified by the governing body of the municipality to the county clerk of
24 the county in which such property is located, to be placed on the tax roll
25 for collection, subject to the same penalties and collected in the same
26 manner as other taxes are collected by law. The governing body may
27 refuse the delivery of such utility service as otherwise permitted by law
28 until such time as such charges are fully paid.

29 (b) A lien shall not attach to property for unpaid utility fees or
30 charges, when the utility service has been contracted for by a tenant and
31 not by the landlord or owner of the property to which such service is
32 provided.

33 (c) Except as provided by this subsection, no municipality which pro-
34 vides utility services shall refuse to contract with a tenant for provision of
35 such services to property occupied by such tenant. A municipality shall
36 not be required to contract with any person if such person has outstanding
37 or unpaid charges for utility services provided by such municipality.

(e)

38 (d) When used in this section:

39 (1) "Municipality" means any city, county, township, water district,
40 improvement district or other political or taxing subdivision of the state
41 or any agency or instrumentality of a municipality which provides utility
42 services.

43 (2) "Utility services" means refuse, trash, garbage or other solid waste

(d) A utility owned or operated by a municipality may require a deposit to be paid by a customer but such deposit shall not exceed the amount of an average expected month's bill for use of the utility's service.

but does not include any rural water district organized pursuant to K.S. A. 82a-612 et seq., and amendments thereto

HOUSE UTILITIES

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ATTACHMENT

2

1 collection and disposal, sewer, water, gas and electric power services. 12-6,124
2 Sec. 2. K.S.A. 2005 Supp. 12-631k, 12-631z, ~~12-1,124~~, 12-860, 14-
3 569 and 19-2765b are hereby repealed.
4 Sec. 3. This act shall take effect and be in force from and after its
5 publication in the statute book.

HOUSE BILL No. 2642

By Committee on Environment
(By request of Select Joint Committee on Energy)

1-18

10 AN ACT concerning energy; enacting the Kansas energy policy act; es-
11 tablishing the energy policy advisory group and prescribing the powers
12 and duties thereof; amending K.S.A. 74-616 and repealing the existing
13 section.

14
15 *Be it enacted by the Legislature of the State of Kansas:*

16 New Section 1. Sections 1 through 4, and amendments thereto, may
17 be cited as the Kansas energy policy act.

18 New Sec. 2. (a) There is hereby established the energy policy advi-
19 sory group, which shall be composed of:

20 (1) The following members appointed by the governor: (A) An energy
21 economist affiliated with a state educational institution under the super-
22 vision of the state board of regents; (B) three representatives of busi-
23 nesses which consume fuel in production of their products; (C) one rep-
24 resentative of renewable energy producers and two representatives of
25 other energy producers; (D) three representatives of the energy consum-
26 ing general public; (E) two representatives of agricultural interests, one
27 representing commodity producers and one energy consumers; (F) one
28 representative of energy conservation and efficiency interests; (G) one
29 representative of a refinery located in Kansas; (H) a tax specialist knowl-
30 edgeable in federal and state energy tax matters; (I) one representative
31 of environmental advocacy groups; and (J) two representatives of energy
32 production, consumption, conservation or efficiency interests not other-
33 wise represented by members of the advisory group; and

34 (2) the following nonvoting members ex officio: (A) Three members
35 of the house of representatives who have substantial knowledge of energy,
36 agriculture or business development, two to be appointed by the speaker
37 of the house of representatives and one by the minority leader of the
38 house of representatives; (B) three members of the senate who have sub-
39 stantial knowledge of energy, agriculture or business development, two
40 to be appointed by the president of the senate and one by the minority
41 leader of the senate; (C) the secretary of commerce; (D) the secretary of
42 administration; (E) the secretary of agriculture; (F) the state geologist;
43 (G) the chairperson of the state corporation commission; and (H) the

transportation

or the chairperson's designee

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ATTACHMENT 3

3-2

1 consumer counsel of the citizens' utility ratepayer board.

2 (b) Of the members of the advisory group first appointed by the gov-
3 ernor, the governor shall designate nine to serve terms of four years and
4 nine to serve terms of two years. Thereafter, such members shall serve
5 for terms of four years. Any vacancy in the term of a member appointed
6 by the governor shall be filled for the remainder of the unexpired term
7 by the governor's appointment of a person with the same qualifications.

8 (c) The governor shall designate annually a voting member of the
9 advisory group to serve as chairperson.

10 (d) The advisory group shall hold such meetings as in its judgment
11 may be necessary for the performance of its powers, duties and functions.
12 Any member of the advisory group who does not otherwise receive com-
13 pensation and expenses for the member's service on the advisory group
14 shall receive compensation, subsistence allowances, mileage and other
15 expenses as provided in K.S.A. 75-3223, and amendments thereto, for
16 each day of attendance at a meeting of the advisory group or a subcom-
17 mittee meeting thereof authorized by the advisory group.

(e) Establishment of the advisory group shall be effective
September 1, 2006.

18 New Sec. 3. (a) Within the limits of appropriations therefor, the ad-
19 visory group shall employ an executive director ~~who shall be in the un-~~
20 ~~classified service under the Kansas civil service act~~ and one clerical and
21 two research staff members ~~who shall be in the classified~~ service under
22 the Kansas civil service act.

, subject to approval by the governor,

, one of whom may be an educator. Such
employees shall be in the unclassified

23 (b) The advisory group may appoint technical advisory committees to
24 study and advise the advisory group as the advisory group requires. Any
25 member of such a technical advisory committee who does not otherwise
26 receive compensation and expenses for the member's service on the tech-
27 nical advisory committee shall receive compensation, subsistence allow-
28 ances, mileage and other expenses as provided in K.S.A. 75-3223, and
29 amendments thereto.

30 (c) All budgeting, purchasing and related management functions of
31 the advisory group shall be administered under the direction and super-
32 vision of the ~~advisory group~~. All vouchers for expenditures from appro-
33 priations made for the use of the advisory group shall be approved by the
34 chairperson ~~or a person or persons designated by the chairperson for such~~
35 purpose.

state corporation commission

of the state corporation commission

36 (d) The state corporation commission shall provide ~~such~~ administra-
37 tive assistance and office space as ~~required by the advisory group and the~~
38 ~~advisory group shall reimburse the commission for the costs thereof.~~

needed to support the advisory group staff

39 New Sec. 4. (a) The energy policy advisory group shall:

40 (1) Develop and update annually a state energy plan which recom-
41 mends to the governor, legislature and general public policies regarding
42 energy production, consumption and sales for a period of not less than
43 five years into the future; and

1 (2) submit annually to the legislature and the governor a written re-
 2 ~~port~~ and recommendations regarding public policies to address both plan
 3 short-term and long-term opportunities to produce more energy, diversify
 4 the supply of energy both for consumption within the state and for export
 5 outside the state and provide a stable supply of energy in the most cost
 6 effective manner.

7 (b) The energy advisory policy group shall direct its staff to:

8 ~~(1) Coordinate existing and create new databases as necessary to: (A)~~
 9 ~~Identify and predict trends in energy consumption by Kansans in such a~~
 10 ~~manner as will facilitate the making of public policy recommendations~~
 11 ~~which will reduce energy costs, conserve resources and benefit the resi-~~
 12 ~~dential, agricultural, commercial and industrial sectors of the population;~~
 13 ~~and (B) identify and analyze energy production patterns in such manner~~
 14 as will facilitate the making of public policy recommendations which will
 15 increase energy production levels from existing Kansas sources, extend
 16 the life of such existing production resources and develop alternative rev-
 17 enue and energy options for the time when production from existing
 18 energy supplies is no longer financially feasible;

executive director shall propose and the energy policy advisory group shall approve an annual work plan to:
 (1) Identify

19 (2) determine what energy infrastructure changes may be needed in
 20 Kansas, as indicated by fuel and engine research of manufacturers of
 21 automobiles, trucks, farm equipment and stationary and small engines;

22 (3) identify potential opportunities, beneficial to Kansans, for part-
 23 nerships between energy production and consumption industries and fac-
 24 ulty at state educational institutions under the supervision of the state
 25 board of regents;

26 (4) review actions taken by legislatures and governors in other states
 27 to identify ~~for~~ energy ideas that can be built upon to expand economic
 28 opportunities for Kansas businesses and consumers;

29 (5) identify and recommend ~~to the advisory group~~ cutting edge en-
 30 ergy production, sources and conservation opportunities which will best
 31 position Kansans to make wise energy choices and economically produce
 32 energy to meet the needs of the state, region and nation; and

33 (6) research and perform such other functions as appropriate to the
 34 duties of the advisory group.

35 (c) The energy policy advisory group may:

36 (1) Seek and accept grants and other financial assistance that the fed-
 37 eral government and other public or private sources make available and
 38 utilize the same for the purposes of the advisory group; and

39 (2) contract with public agencies or with qualified private persons or
 40 ~~agencies~~ to accomplish the purposes of the advisory group.

organizations

(d) Plans, reports or recommendations of any nature adopted by the energy policy advisory group shall be considered advice to the governor and legislature and shall not be construed as official policy, position or interpretation of laws or rules and regulation by the state corporation commission nor shall the commission be bound in any manner to consider any such advice when conducting the commission's advisory and regulatory responsibilities.

41 Sec. 5. K.S.A. 74-616 is hereby amended to read as follows: 74-616.
 42 In addition to other powers and duties provided by law, in administering
 43 the provisions of this act the state corporation commission shall:

3-4

1 (a) Adopt rules and regulations necessary for the administration of
2 this act;

3 ~~(b) develop a comprehensive state energy conservation plan and the
4 procedures for implementing the plan according to federal requirements;~~

5 ~~(c) make requests for and accept funds and other assistance from
6 federal agencies for energy conservation and other energy-related activ-
7 ities in this state, including, but not limited to, the state energy conser-
8 vation program; the energy extension service program and the institu-
9 tional building conservation program;~~

(b) coordinate existing and create new databases as necessary to identify and predict trends in energy consumption by Kansans in such a manner as will facilitate the making of public policy recommendations which will reduce energy costs, conserve resources and benefit the residential, agricultural, commercial and industrial sectors of the population;
(c)

and

(d)

10 (d) ~~(e)~~ administer federal energy conservation programs in this state;

11 (e) ~~(d)~~ collect and compile necessary data on energy resources and
12 monitor energy resources supplies in this state;

13 (f) ~~(e)~~ prepare an energy resources emergency management plan for
14 adoption during any energy resources emergency proclaimed to exist by
15 the governor under K.S.A. 74-619, and amendments thereto, which plan
16 shall include the system of priorities for energy resources allocation and
17 curtailment of energy resources consumption established under K.S.A.
18 74-620, and amendments thereto;

(e) seek and accept grants and other financial assistance which the federal government and other public or private sources make available and utilize the same for the purposes of the advisory group;
(f) contract with public agencies or with qualified private persons or organizations to accomplish the purposes of the advisory group;
(g)

19 (g) ~~(f)~~ cooperate in the implementation of any emergency energy ra-
20 tioning program, which may be imposed by the federal government or
21 any agency thereof;

energy resources emergency management plan or program

22 (h) ~~(g)~~ prepare and have available for public inspection an annual
23 report which describes the energy resources emergency management
24 program; and

25 (i) ~~(h)~~ make and enter into all contracts and agreements and do all
26 other acts and things necessary or incidental to the performance of func-
27 tions and duties and the execution of powers under this act.

28 Sec. 6. K.S.A. 74-616 is hereby repealed.

29 Sec. 7. This act shall take effect and be in force from and after its
30 publication in the statute book.

In Phoenix, Pay-First Electricity Attracts Thousands

By Scott Harelson

There is a well-known saying that knowledge is power. For many customers of Phoenix-based Salt River Project, it's becoming increasingly clear that knowledge also results in *saving* power.

Those customers are enrolled in SRP's M-Power program—the largest residential pre-pay metering program in North America. For nearly 15 years, SRP has offered a prepayment program for its residential customers. What began as a service primarily targeted for low-income or credit-challenged customers is now quickly expanding across SRP's residential customer base.

SRP serves more than 860,000 customers in the greater Phoenix area. Customers are attracted to the M-Power program because they have the option to pay at their own pace and the ability to

80,000 participating in M-Power by 2010.

While those numbers alone appear impressive, they might have been even larger had indoor pre-pay equipment been more readily available. Motorola and Diebold originally provided the meters, user display terminals (UDTs) and automatic pay centers for M-Power, but both companies were out of the pre-pay metering business by 2003 and SRP was left searching for an alternative.

Fortunately, Ampy Metering Inc., a British-based technology company, was able to step up to the plate. By working with Ampy to develop in-home metering

"It is our hope that when other utilities start their own pre-pay programs and purchase the technology necessary we will all see significant decreases in these costs."

monitor and control their electric use. Studies indicate that M-Power customers are, on average, reducing their annual electricity usage by 12.8 percent.

In surveys SRP has conducted, 84 percent of customers report being very satisfied with M-Power and 95 percent believe they use energy more wisely by participating in the program.

Currently, SRP has nearly 37,000 customers enrolled in the residential prepayment program. Approximately 10,000 customers are added to the program each year, and SRP hopes to have

technology, SRP was able once again to begin expanding its popular program.

The special M-Power in-home UDTs are plugged directly into an ordinary electrical socket where they can communicate directly with the primary electric meter. The devices track how much energy the customer is using in kilowatt-hours and in dollars. The display reminds customers when it is necessary to make a new purchase.

"The information our M-Power customers are receiving is often very enlightening," said Marty Clyde, a senior



M-Power customers use smart cards to purchase electricity at PayCenters located around Phoenix then run the card through the in-home user display terminal, which sends the information to the electric meter.

principal planning analyst with SRP. "They're able to use the data on their display units to monitor their energy use and modify it accordingly to save electricity and money."

To make electricity purchases, M-Power customers have two smart cards similar to telephone calling cards. The cards are credited with electricity purchases at SRP PayCenters located around the Phoenix metropolitan area. The card is then run through the in-home UDT, which sends the information to the electric meter. SRP has 52 PayCenters, many of which are located in 24-hour or extended hour locations, and plans to provide a PayCenter within a four-mile radius of all its M-Power-equipped customers.

To minimize potential self-disconnects after business hours, SRP has programmed the UDTs to provide a "friendly credit" over the weekends.

"We can select the hours that the meters cannot disconnect," said Clyde. "From 10 p.m. Friday until 6 a.m. Monday, M-Power meters will go into credit mode rather than disconnect customers who might have exhausted their electricity credits."

Because M-Power is a pre-pay program, there are no late fees, disconnect fees or

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ATTACHMENT 4

PUBLIC POWER


additional security deposits. M-Power requires a \$99 deposit to cover the cost of the UDT. Traditional SRP electric rate customers pay a \$200 security deposit.

These features, along with the recognized energy savings, have caught the eye of several community-based organizations, which have become enthusiastic supporters of the M-Power program. Because customers are more in charge of their energy use, they are better able to budget electricity funds and avoid turn-offs that on a regular electric plan frequently lead to costly disconnection fees. This allows community-based assistance programs to provide increased services by stretching their relief funds.

"If a customer is out for disconnection, he or she can apply deposit money to the bill and get started on M-Power," said Marcie Widmer, a caseworker for the city of Phoenix. "This opportunity lets a percent go to the old bill and the rest for usage. It's a useful tool to help the client become stable."

SRP has also taken note of the program's contribution to ongoing conservation efforts. The average 12.8 percent energy reduction that pre-pay customers are experiencing is reducing overall energy usage and helping the utility meet its sustainable portfolio goals. M-Power also addresses a number of provisions of the federal Energy Policy Act of 2005 that promote conservation for residential electricity consumers.

While M-Power is clearly becoming an institution at SRP, the utility hopes other utilities will take notice of the advantages of residential prepayment program and initiate their own offerings.

"While the equipment we are currently purchasing is reasonably priced, we are certainly aware that economies of scale could lead to even better pricing in the future," said Clyde. "It is our hope that when other utilities start their own pre-pay programs and purchase the technology necessary, we will all see significant decreases in these costs." 

Scott Harelson is media relations representative for Salt River Project. He can be reached at hsharels@srpnet.com.



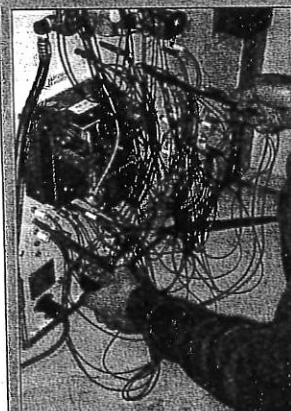
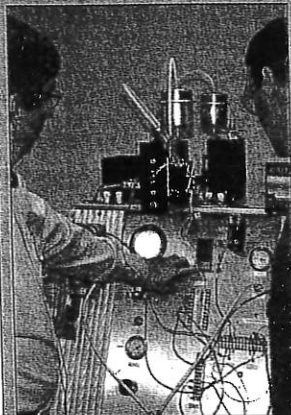
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- Uniform Plumbing Code
- Natural Gas Safety

National Electrical Code®

- 2005 National Electrical Code®
- 2005 National Electrical Code® Changes
- Electrical Standards/Hazardous (Classified) Locations
- Grounding and Bonding

Electrical and Electronics

- Basic Electronic Circuits
- Basics of Industrial Electricity
- Electric Motors, Understanding and Troubleshooting
- Electrical Print Reading From Construction to Control
- Instrumentation and Process Control
- PLC Automation Systems
- Programmable Logic Controllers
- Troubleshooting Electrical Control Circuits
- Tuning DDC/Process Control Loops
- Variable Frequency Drives

Mechanical/Industrial Systems

- Centrifugal Pumps
- Hoisting and Rigging, Fundamentals of Industrial
- Mechanical Drives/Power Transmission
- Pipefitting
- Principles of Bearings and Lubrication
- Shaft Alignment
- Welding

HVAC

- Air Conditioning and Refrigeration
- Boilers
- Chillers
- Heating and Ventilation
- Pneumatic Comfort Controls
- Air (Heater) House Operation and Safety

and more!

RM

4-2

HOUSE BILL No. 2657

By Committee on Utilities

1-19

9 AN ACT concerning certain public utilities; relating to energy efficiency
10 and conservation programs for certain customers; providing for recov-
11 ery of certain amounts therefor.
12

13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. (a) For energy efficiency and conservation programs re-
15 ceiving prior approval of the commission, the state corporation commis-
16 sion shall authorize any electric public utility or natural gas public utility
17 to recover the utility's authorized rate of return on investments by such
18 utility in energy efficiency and conservation programs for residential cus-
19 tomers who have an energy audit and are current in the payment of their
20 utility bills or payments under their utility bill payment plan.

21 (b) For energy efficiency and conservation programs receiving prior
22 approval of the commission, the commission shall authorize any electric
23 public utility or natural gas public utility to recover the utility's authorized
24 rate of return on investments by such utility in programs to reduce un-
25 collectible bills of residential customers of the utility through prepaid
26 energy cards or similar programs that place responsibility for wise use of
27 energy on customers at high risk of having uncollectible bills. Before the
28 commission authorizes the recovery, the utility shall be required to submit
29 to and obtain approval by the commission of the utility's policies for iden-
30 tifying such high risk customers. Such policies shall take into account the
31 customer's previous failures to meet terms of payment plan agreements,
32 landlord preferences and such other factors as agreed to by the utility
33 and the commission.

34 (c) The state corporation commission shall authorize any electric pub-
35 lic utility or natural gas public utility to recover the utility's authorized
36 rate of return on any investments by such utility in energy efficiency and
37 conservation programs for commercial customers who have an energy
38 audit and are current in payment of their utility bills.

39 Sec. 2. This act shall take effect and be in force from and after its
40 publication in the statute book.

, and on applicable incentives pursuant to subsection (e) of KSA 66-117,
and amendments thereto, by such utility in energy efficiency and
conservation programs for customers.

(b) In evaluating and approving proposed energy efficiency and
conservation programs, the commission shall consider:

(1) The proposed time period for the program and how that period
addresses initiation, promotion, implementation and evaluation of program
effectiveness;

(2) the cost-effectiveness and the reliability of technologies employed;

(3) the percentage of proposed program expenditures devoted to
residential programs which directly address energy efficiency and
conservation for residential rental property and low-income persons;

(4) the mechanism or process for an independent audit of the utility's
programs, investments, expenditures and energy savings; and

(5) any other factors or criteria which the commission deems relevant.

(c) The commission shall require an electric or natural gas public utility to
conduct an energy efficiency and conservation program, or to make other
investments in energy efficiency and conservation, whenever the
commission finds that such programs or investments will result in energy
savings at a total cost to the utility less than the cost to the utility to
produce or purchase an equivalent amount of new supply of energy.

(d) The commission may propose an electric or natural gas public utility
make investments and expenditures in energy efficiency and conservation
programs, explicitly setting forth terms under which the improvements
must be offered to customers.

(e) The commission may establish, by order, a list of programs, and may
from time to time change such list, which may be offered as energy
efficiency and conservation programs by any electric or natural gas public
utility.

(f) The commission may contract with any qualified entity to review public
utility and commission proposed energy efficiency and conservation
programs.

(g) Nothing in this section shall preclude the commission and a public
utility from entering into energy efficiency and conservation agreements
not undertaken pursuant to this section or preclude the commission from
exercising its authority pursuant to subsection (e) of KSA 66-117, and
amendments thereto

HOUSE UTILITIES

DATE: 2/7/06 5
ATTACHMENT