

## MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:14 a.m. on February 14, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Tom Sloan

Committee staff present: Lynne Holt, Legislative Research  
Mary Torrence, Revisor of Statutes  
Jo Cook, Committee Secretary

Conferees appearing before the committee: Rep. Dale Swenson  
Ed Jaskinia, Associated Landlords of Kansas  
Burton Crawford, Kansas City Power & Light  
Diana Thurman, Western Resources  
Mike Murray, Sprint  
Jon Miles, Kansas Electric Cooperatives  
Kim Gulley, Kansas League of Municipalities  
Larry Holloway, Kansas Corporation Commission  
Don Hellwig, Kansas Electric Cooperatives  
Bruce Graham, Kansas Electric Power Cooperatives  
Dick Rohlfs, Western Resources

Others attending: See Attached List

**HB 2318 - Providing for notice to landlord when utility service will be discontinued**

Rep. Dale Swenson (R-97<sup>th</sup> District), sponsor of the bill, spoke to the committee about the request made by a constituent for this proposed legislation (Attachment 1). Rep. Swenson stated that this was a simple landowners protection bill and that knowing, in advance, of an interruption of service would be very helpful to the property owner. Rep. Swenson responded to questions from the committee.

Ed Jaskinia, appearing on behalf of the Associated Landlords of Kansas, spoke in support of **HB 2318**. Mr. Jaskinia said that the intent of the bill is good, and though it does need some work, would be valuable to the property owner.

Burton Crawford, Manager of Deregulation Issues for the Kansas City Power & Light Company (KCPL), spoke in opposition to **HB 2318** (Attachment 2). Mr. Crawford stated that KCPL had two concerns with the bill; first, it places additional restrictions on the disconnection of utility service and, second, it violates consumer privacy laws.

Diana Thurman, Senior Manager of Customer Relations at Western Resources, testified against **HB 2318** (Attachment 3). Ms. Thurman stated that this proposed legislation is in contrast to their current disconnection policy and they are concerned about the rights of the customer and their account confidentiality.

Mike Murray, Director of Governmental Affairs for Sprint, stated Sprint opposes **HB 2318** (Attachment 4). Mr. Murray addressed Section 222 of the Federal Telecommunications Act of 1996 that prohibits disclosure without written authorization by the customer. Mr. Murray explained that this section prohibits Sprint from disclosing account information to anyone other than the responsible party.

Jon Miles, Vice President of Governmental and Technical Service with Kansas Electric Cooperatives, appeared in opposition to **HB 2318** (Attachment 5). Mr. Miles explained that, in the case of a rural electric cooperative, a consumer must sign a membership agreement that places an obligation on the utility to provide service and does not make the landlord a party to the agreement. Disconnecting the service at the landlord's request would violate the agreement.

Kim Gulley, Director of Policy Development & Communications for the League of Kansas Municipalities, addressed the committee as an opponent of **HB 2318** (Attachment 6). Ms. Gulley stated they believed it would result in inconsistent procedures for handling delinquent utility accounts and inappropriately puts the utility provider in the

middle of the landlord/tenant relationship.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:14 a.m. on February 14, 2001.

Daniel Hawkins, Agency Owner for the National Farmers Union, provided a written statement in support of **HB 2318** (Attachment 7).

Steve Goevert, a Wichita property owner, provided a written statement in support of **HB 2318** (Attachment 8).

The conferees responded to questions from the committee.

### **HB 2345 - Natural gas utilities required to itemize bills ("bill unbundling")**

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, testified in opposition to **HB 2345** (Attachment 9). Mr. Holloway explained that the information mandated by this bill may actually confuse customers and the surcharge may increase their bills, even though it is a well meaning attempt to help customers understand why their gas bills have increased. Mr. Holloway responded to questions from the committee.

### **HB 2267 - Generation of electricity by schools; contracts for parallel generation**

Burton Crawford, Manager of Deregulation Issues for the Kansas City Power & Light Company, appeared in opposition of **HB 2267** (Attachment 10). Mr. Crawford explained the concerns they have with the bill are: 1) it requires a utility to purchase generation at prices exceeding their avoided costs and 2) it touches on electric rate design issues best left to the KCC to decide. He also stated that this bill violates the Public Utility Regulatory Policies Act of 1978 (PURPA).

Mr. Don Hellwig, General Manager of the DS&O Rural Electric Cooperative Association, spoke as an opponent to **HB 2267** (Attachment 11). Mr. Hellwig addressed the concerns of the financial impact these facilities would have on his cooperative's customer owners. He stated that this bill would require Kansas electric ratepayers to subsidize these facilities through higher rates.

Bruce Graham, Vice President of Member Services and External Affairs for the Kansas Electric Power Cooperative (KEPCo), stated they could not support the mandate proposed in **HB 2267** (Attachment 12). Mr. Graham stated that, although KEPCo supports the current discussion regarding energy policies, these policies must be reasonable and equitable. This bill would require their customers to subsidize the true cost of generation and would result in higher rates for its other customers.

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, testified in a neutral position on **HB 2267** (Attachment 13). Mr. Holloway provided an illustrative example of how the ratepayers would be funding a subsidy to both the school and the wind generator vendor.

Dick Rohlf, Senior Manager of Regulatory Requirements for Western Resources, addressed the committee as an opponent to **HB 2267** (Attachment 14). Mr. Rohlf stated that if the legislature determines that school wind energy projects should be subsidized, then the subsidy should be directly funded, not indirectly by the school's electric utility provider.

The conferees responded to questions from the committee. Rep. McClure distributed information from the Spirit Lake Community School District in Iowa that outlined their wind energy usage since July 1993 (Attachment 15) and the hearing was closed.

The meeting adjourned at 10:54 a.m.

Next meeting is Thursday, February 15, 2001.