

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 6, 2002 in Room 231-N of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Stewart Lowry, Kansas Electric Cooperatives
Colin Hansen, Kansas Municipal Utilities
Kim Gulley, League of Kansas Municipalities
Jim Flaherty, Legal Counsel, Utilicorp United

Others attending: See attached list

Introduction of Bills

Steve Kearney representing Southwest Kansas Irrigation Association requested introduction of a bill establishing the rural Kansas self-help gas act.

Moved by Senator Emler, seconded by Senator Taddiken, request introduction of bill establishing the rural Kansas self-help gas act. Motion carried.

Mark Schreiber of Westar Energy provided draft moratorium language for a bill. (Attachment 1)

Moved by Senator Taddiken, seconded by Senator Emler, request introduction of bill with language as set forth in draft moratorium language attachment. Motion carried.

Steve Johnson of Kansas Gas Service presented a request for bill introduction on Termination of Service Rights for a Retailer of Natural Gas by a City. (Attachment 2)

Moved by Senator Barone, seconded by Senator Emler, request introduction of bill on Termination of Service Rights for a Retailer of Natural Gas by a City. Motion carried.

The Chairman opened the hearing on:

SB 480 - Retail electric suppliers; service rights in area annexed by city; procedures; compensation when service rights are terminated.

Proponents:

Stewart Lowry, Kansas Electric Cooperatives, noted **S.B. 480** addresses the question of who provides electric supply when a city annexes land and modifies one provision of the compensation formula that is applied when an existing utility is displaced by a decision of the city following a municipal annexation. He urged passage of **SB 480** as presented. (Attachment 3)

Colin Hansen, Kansas Municipal Utilities, presented his testimony favoring **SB 480** without change. (Attachment 4)

Kim Gulley of League of Kansas Municipalities, spoke in support of **SB 480** (Attachment 5)

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on February 6, 2002 in Room 231-N of the Capitol.

Written testimony was received from:

_____ Leslie Kaufman, Kansas Farm Bureau (Attachment 6)
Joe Lieber, Kansas Cooperative Council (Attachment 7)
Doug Lawrence, Westar Energy (Attachment 8)
Whitney Damron, Empire District Electric Company (Attachment 9)

Opponents:

Jim Flaherty, Legal Counsel, Utilicorp United, noted that the inclusion of factors on “the rates of the suppliers”, “economic impact on the suppliers” and the “impact on the customers of the suppliers” results in the validation of discriminatory pricing practices by the unregulated electric cooperatives which is contrary to Kansas and federal anti-trust and unfair competition laws. He addressed each of these concerns in more detail and suggested additional language should be included in the bill if the rate factors remain. (Attachment 10)

Chair closed the hearing on **SB 480** and opened for discussion.

Approval of minutes

Moved by Senator Emler, seconded by Senator Brownlee, approval of the minutes of the joint meetings of the Senate and House Utilities Committees held on January 15, 2002, January 16, 2002, January 23, 2002, January 24, 2002, January 28, 2002, January 29, 2002 and January 31, 2002. Motion carried

Next meeting of the Senate Utilities Committee will be on Monday, February 11, 2002.

Adjournment.

Respectfully submitted,

Ann McMorris
Secretary

Attachments - 10