

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on January 30, 2012 in Room 548-S of the Capitol.

All members were present except:

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes  
Tamera Lawrence, Office of the Revisor of Statutes  
Cindy Lash, Kansas Legislative Research Department  
Ann McMorris, Committee Assistant

Conferees appearing before the Committee:

Laurel Murdie, Legislative Division of Post Audit  
Paul Snider, Kansas City Power & Light Company

Others attending: See attached list.

Update on Kan-ed Audit

Laurel Murdie, Legislative Division of Post Audit, reported on the findings of a Performance Audit Report – Kansas Board of Regents: Evaluating the effects of eliminating the Kan-ed Program. Copy of the report is on file at the Legislative Division of Post Audit. Ms. Murdie provided a summary of the highlights and reported on (1) Findings related to internet access; (2) Findings related to video conferencing and distance learning; (3) Findings related to other services; and (4) other findings. She noted that Kan-ed was not managed to control costs; and Kan-ed could save up to \$2 million a year by switching more than half the members to commercial internet and disconnecting others. Post Audit recommended the 2012 Legislative Session should decide whether the state should continue to provide a network to support broadband internet access, video conferencing and distance learning, and whether the state should continue to pay for on-line content. (Attachment 1)

Issues related to KCP&L Recent Rate Increase

Paul Snider, Senior Manager, Government Affairs, KCP&L, provided a history of their electric rate system, how rates were promoted and the current rate system. He discussed the chart showing old and new residential rates and the percent of increase in each category. He noted KCP&L has gone through a number of rate cases to incorporate the various investments under the Comprehensive Energy Plan (CEP) into rates. Kansas Corporation Commission's Order in the most recent rate case requires KCP&L to file a rate design case which will occur sometime this year. (Attachment 2)

Adjournment.

Respectfully submitted,

Ann McMorris, Committee Secretary

Attachments - 2