

Approved: March 13, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on February 5, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Gene O'Brien

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

Conferees appearing before the committee: Jack Brier, Kansas Development Finance Authority
Kelly Harrison, Westar Energy
Tim Rush, Kansas City Power & Light

Others attending: See Attached List

HB 2635 - Kansas Development Finance Authority authorized to issue bonds to finance certain electric transmission lines and appurtenances

Chairman Holmes welcomed Jack Brier, President of the Kansas Development Finance Authority (KDFA). Mr. Brier explained the background of KDFA. They are charged with arranging for all the financing needs of the state. He also stated they have the authority to do private activity bonds, including industrial revenue bonds. Mr. Brier responded to questions from the committee.

Chairman Holmes then opened the hearing on **HB 2635**.

Kelly Harrison, Vice President of Regulatory Affairs for Westar Energy, appeared in support of **HB 2635** (Attachment 1). Mr. Harrison said that to have the ability to use KDFA as a source of revenue bonds would be a helpful tool. Mr. Harrison asked the committee to also look at the return on equity for transmission lines authorized by the FCC when debating the bill.

Tim Rush, Director of Regulatory Affairs for Kansas City Power & Light, testified in support of **HB 2635** (Attachment 2). Mr. Rush stated that while this proposed legislation provides an alternative means of financing, it would not be the determining factor in the decision to build, but could serve to help mitigate the costs when facilities must be built.

Written testimony in support of **HB 2635** was provided by Steve Miller, Senior Manager of External Affairs for Sunflower Electric Power (Attachment 3) and Bruce Graham, Vice President of Member Services and External Affairs for Kansas Electric Power Cooperatives Inc. (Attachment 4). Additionally, an e-mail sent by Mr. Miller asking about substations was distributed (Attachment 5).

Mr. Harrison and Mr. Rush responded to questions from the committee. Also responding to questions was Tammy Dishman, Vice President of Marketing for KDFA.

Chairman Holmes closed the hearing on **HB 2635**.

HB 2712 - KDFA authorized to issue bonds to finance regional broadband technology facilities

Chairman Holmes opened the hearing on **HB 2712**. There were no conferees. Representative Sloan distributed comments proposing changes to the bill that had been provided by a member of the telecommunications industry (Attachment 6). Chairman Holmes closed the hearing on **HB 2712**.

Chairman Holmes announced that the committee would be working **HB 2635** either tomorrow or Thursday.

The meeting adjourned at 10:01.

The next meeting is scheduled for February 6, 2002.