

Approved: April 2, 2003
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:06 a.m. on February 18, 2003 in Room 526-S of the Capitol.

All members were present.

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

Conferees appearing before the committee:

Representative Larry Powell
Scott Schnieder, Renewable Energy Systems North America
Charles Benjamin
Scott Roe, Aquila
Richard Good, Westar Energy
Tom Day, Kansas Corporation Commission
David Springe, Citizens' Utility Ratepayer Board

Others attending: See Attached List

HB 2280 - Requiring the recording of leases related to wind resources and technologies

Chairman Holmes opened the hearing on **HB 2280**.

Representative Larry Powell, 117th District and sponsor of the bill, testified in support of **HB 2280** (Attachment 1). Representative Powell told the committee that the bill would make it possible for land owners to access information on the leases to help them make decisions on leasing their land for wind generation.

Scott Schneider, appearing on behalf of Renewable Energy Systems North America, provided testimony in opposition to **HB 2280** (Attachment 2). Mr. Schneider stated they opposed the bill for three reasons; first they currently file a memorandum of lease with every county; second the bill would increase the cost of doing business; and third it departs with current public policy allowing private contracts to remain private.

Charles Benjamin, appearing on behalf of both landowners and wind energy developers, addressed the committee as a proponent of **HB 2280** (Attachment 3). Mr. Benjamin stated that the bill is a good idea because it will require public notice that there are leases for wind energy resources encumbering the property.

The conferees responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2280**.

HB 2374 - Procedures for recovery of public utilities' security costs

Chairman Holmes opened the hearing on **HB 2374**.

Scott Roe, Senior Security Consultant for Aquila, appeared in support of **HB 2374 (Attachment 4)**. Mr. Roe told the committee that the bill will further aid in the protection of the critical infrastructures within Kansas for several reasons. They include setting forth mandates about sufficient information to be presented to the Corporation Commission for its decision; specifically addressing the release of information; identifies the periods, amounts and locations of security enhancements that can are to be protected; and addressing the 'usable' life of the item. Included with Mr. Roe's testimony was a copy of the Petition for Reconsideration of Aquila, Inc. and the Empire District Electric Company filed with the Corporation Commission in response to Docket No. 03-GIMX-431-GIV.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:06 a.m. on February 18, 2003.

Richard Good, Senior Manager for Disaster Recovery and Infrastructure Security for Westar Energy, testified in support of **HB 2374 (Attachment 5)**. Mr. Good stated that the bill maintains and improves upon two safeguards approved last year, namely, confidentiality and oversight. Mr. Good included with his testimony, a copy of the Petition for Reconsideration of Westar Energy filed with the Corporation Commission in response to Docket No. 03-GIMX-431-GIV.

Tom Day, Legislative Liaison for the Kansas Corporation Commission, provided testimony in opposition to **HB 2374 (Attachment 6)**. Mr. Day told the committee that the Commission did not support the bill for several reasons. Those reasons include: 1) it represents abrupt and sudden change in public policy relating to the confidential treatment of documents filed with state agencies; 2) a concern about fundamental due process issues; 3) customer knowledge of an increase in their bill; and 4) concerns about the recovery period of the security-related capital expenditures.

David Springe, Consumer Counsel for the Citizens' Utility Ratepayer Board, appeared as an opponent to **HB 2174 (Attachment 7)**. Mr. Springe explained that there were three areas of concerns: the level of secrecy, hiding the rate increase on bills, and the expedited recovery of capital expenditures. Additionally, he suggested possible changes to the legislation.

Mr. Roe, Mr. Good, Mr. Day, and Mr. Springe responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2374**.

The meeting adjourned at 10:25 a.m.

The next meeting will be Wednesday, February 19, 2003 at 9:00 a.m.