

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:11 a.m. on March 4, 2004 in Room 231-N of the Capitol.

All members were present except: Representative Eric Carter  
Representative Nile Dillmore

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: Larry Dolci, Great Plains Energy  
Richard Good, Westar Energy  
David Springe, Citizens' Utility Ratepayer Board  
Don Low, Kansas Corporation Commission

Others attending: See Attached List

**SB 382 - Recovery of certain costs of security measures, public utilities**

Chairman Holmes opened the hearing on **SB 382**.

Larry Dolci, Director Resource Protection for Great Plains Energy, testified in support of **SB 382 (Attachment 1)**. Mr. Dolci stated that they were still collecting information for their application for recovery and anticipate its filing shortly. He said that removal of the sunset provision will benefit the citizens of Kansas by helping to make sure utilities have the funding available to follow sound and reasonable security practices.

Richard Good, Senior Manager of Disaster Recovery and Infrastructure Security for Westar Energy, addressed the committee as a proponent of **SB 382 (Attachment 2)**. Mr. Good stated that when the company files a rate case next year, their current security costs will be incorporated into the filing. Recovery of security costs incurred before the next rate case needs to be available to the company.

Mr. Dolci and Mr. Good responded to questions from the committee

David Springe, Consumer Counsel for the Citizens' Utility Ratepayer Board, spoke in opposition to **SB 382 (Attachment 3)**. Mr. Springe stated they believed that the provisions of the statute are clearly harmful to utility consumers and should be allowed to sunset.

Don Low, Director of the Utilities Division of the Kansas Corporation Commission, testified on **SB 382 (Attachment 4)**. Mr. Low stated that while the Commission was sympathetic to the legislature's desire to address national security issues and the recovery of costs associated with those issues, they believe that it should not be extended indefinitely.

Mr. Springe and Mr. Low responded to questions from the committee.

Additionally, Mark Schreiber, Westar Energy, and Tim Rush, Great Plains Energy, responded to questions from the committee.

Chairman Holmes closed the hearing on **SB 382**.

The meeting adjourned at 10:02 a.m.

The next meeting will be Friday, March 5, 2004.