

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on February 20, 2001 in Room 231-N of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research
 Tom Severn, Legislative Research
 Bruce Kinzie, Revisor of Statutes
 Lisa Montgomery, Revisor of Statutes
 Ann McMorris, Secretary
 Chris Crowder, Intern to Senator Clark

Conferees appearing before the committee: none

Others attending: See attached list

Approval of Minutes

Moved by Senator Lee, seconded by Senator Taddiken, approval of Senate Committee meeting minutes for February 19, 2001 with addition of the words "none or" under SB 177, paragraph 3, line 4 after the word 'and', be approved. Motion carried.

Chairman announced an article on Storage of Natural Gas copied from the Internet was distributed. On February 27, 2001 the committee will be holding hearings on Storage. Legislators from the Hutchinson area are invited to be a part of the committee for these hearings. (Attachment 1)

An article entitled "Providing the Proper Climate to Stimulate Construction of Generation and Transmission Facilities in the State of Kansas was provided by Midwest Energy Inc. (Attachment 2)

Chairman Clark opened for continuation of discussion on:

SB 177 - Independent Power Producer Property, taxation, assessed rate

Larry Holloway, KCC chief of energy operation, provided a letter of clarification on qualifications of existing generating units and offered language for a new part (f) to Section 1 pf **SB 177**. (Attachment 3)

Moved by Senator Brownlee, seconded by Senator Tyson, to amend SB 177 by adding to Section 1 language for a new part (f) "Additional generating capacity achieved through efficiency gains by refurbishing or replacing existing equipment at generating facilities placed in service before January 1, 2001 shall not qualify under section 1 (e) of this act." Motion carried.

Cynthia Smith, Kansas City Power & Light, provided a balloon for **SB 177** with language for part (c) in New Sec. 2. (Attachment 4) This new section includes accounts for all types of generation as itemized in FERC code of federal regulations on plant accounts and defines for purposes of property & ad valorem taxes.

Moved by. Senator Wagle, seconded by Senator Tyson, amend SB 177 by adding to New Sec. 2, page 2, paragraph "(c) For purposes of property and ad valorem taxes, independent power producer property of the nature itemized in Federal Energy Regulatory Commission plant accounts (i) 101 - 312, 313, 314, 315, and 316; (ii) 101- 322, 323, 324, and 325; (iii) 101 - 332, 333, 334, 335, and 336; or (iv) 101 - 342, 343, 344, 345 and 346 of the Code of Federal Regulations, shall be tangible personal property." Motion carried.

Discussion on other proposed additions to **SB 177** by Kansas City Power and Light. No action taken.

Moved by Senator Barone, seconded by Senator Brownlee, **S.B. 177** be passed out favorably as amended.
Motion carried.

Chairman announced he is asking for **SB 112, SB 144 and SB 299** to be blessed. Hearings on **S.B. 299** will be held on March 7, 8 and 9.

Next meeting of Senate Utilities Committee will be held on Tuesday, February 27, 2001.

Adjournment.

Respectfully submitted,
Ann McMorris, Secretary

Attachments - 4