

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:08 a.m. on February 1, 2000 in Room 522-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research Department  
Mary Torrence, Revisor of Statutes  
Jo Cook, Committee Secretary

Conferees appearing before the committee: Mark Doljac, Kansas Corporation Commission  
Jim Ludwig, Western Resources, Inc.  
Burton Crawford, Kansas City Power & Light

Others attending: See Attached Guest List

Chairman Holmes asked if there were any bill introductions.

Rep. Alldritt requested that the committee introduce a bill that would put a tax on cell phones primarily to provide enhanced service for the state. Rep. Alldritt moved that the committee introduce this bill. Rep. O'Brien seconded the motion. Motion carried.

Rep. Sloan requested a bill be introduced on the construction work in progress to allow the property to go into the rate base before it's used and useful. Rep. Sloan moved that the committee introduce this bill. Rep. Loyd seconded the motion. Motion carried.

Chairman Holmes stated the committee would work **HB 2597** either tomorrow or the next day.

**HB 2657 - Corporation commission hearings on siting of electric transmission lines**

and

**Sub for Sub SB 257 - Repeal of electric transmission line siting act**

Chairman Holmes announced the hearings on **HB 2657** and **Sub for Sub SB 257** would be held jointly.

Mark Doljac, Senior Utility Engineer and Rate Analyst for the Kansas Corporation Commission, presented testimony in support of **HB 2657** and did not oppose **Sub for Sub SB 257 (Attachment 1)**. Mr. Doljac stated that **Sub for Sub SB 257** would essentially eliminate the requirement that the Commission provide a siting permit to an electric utility proposing to construct an electric transmission line 230 kilovolt or greater that is at least five miles long. He stated that even without the formal requirements of the Electric Transmission Line Siting Act, the KCC would still conduct a limited review of new electric supply line proposals under the EL application process and affected landowners and customers would have the ability to request a formal investigation. **HB 2657** was submitted to the Committee at the request of the KCC. Mr. Doljac indicated that if the Committee does decide to keep the present electric Transmission Lines Siting Act, the intent of **HB 2657** was to provide adequate time for review and notification and to clarify the types of hearings and notification requirements.

Jim Ludwig, Senior Director of Regulatory Affairs for Western Resources, testified in support of **Sub for Sub SB 257** and in opposition to **HB 2657 (Attachment 2)**. Mr. Ludwig explained that **Sub for Sub SB 257** would reduce uncertainties of line construction and reduce siting costs and delays. He stated that enacting this bill would not give utilities 'carte blanche' to locate transmission lines anywhere they please without public comment or protection and that the KCC would retain a significant level of oversight even if the transmission siting provisions are repealed. Mr. Ludwig stated that **HB 2657** would amend the electric transmission line siting act in two substantial ways. First by doubling the amount of time the

## CONTINUATION SHEET

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KCC has to set a time for a public hearing on an application and second by allowing the KCC to hold an evidentiary hearing on a transmission line siting application.

Mr. Burton Crawford, Kansas City Power and Light, presented testimony in opposition to **HB 2657** and in support of **Sub for Sub SB 257**. He stated that **SB 257** eased the restrictions on building transmission in the state. He also stated he concurred with everything Mr. Jim Ludwig stated in his testimony. He explained that we were entering a time in this industry where transmission is becoming much more important, referencing FERC's order 888, that opened up the transmission system to other users of the system. Additional transmission constraints are now being seen that were not there in the earlier days when the system was used essentially for the native retail customers. Now FERC Order 2000 requires transmission owners to join RTO's (Regional Transmission Operators), formerly ISO (Independent System Operator). It is in the best interest of the citizen's of Kansas and the utilities themselves to be able to build transmission lines to support the new environment. Regarding **HB 2657**, Kansas City Power and Light is in opposition to making transmission siting more difficult in the state. He stated that should the committee decide to move forward with **Sub for Sub SB 257**, they are requesting that the evidentiary hearing process that is being added have a time limit placed on it. Their recommendation is to have the hearing process be completed within 90 days.

The conferees responded to questions from Rep. Loyd, Rep. McClure, Rep. Alldritt, Rep. Sloan, Rep. Holmes and Rep. Dahl.

Chairman Holmes drew the attention of the committee to a copy of an article from the January 13, 2000 *Wall Street Journal* entitled "Electric Power Grids' Reliability Erodes" (Attachment 3) and a copy of the Summary of the 'Interim Report of the US Department of Energy's Power Outage Study Team' - Findings from the Summer of 1999 (Attachment 4). These items were provided by Bruce Graham, Vice President of Member Services and External Affairs for the Kansas Electric Power Cooperative, Inc.

Rep. Loyd moved to approve the minutes of the January 18, January 19, and January 20 meetings and Rep. Long seconded the motion. Motion carried.

Meeting was adjourned at 10:23 a.m.

Next meeting will be Wednesday, February 2, 2000 at 9:00 a.m.