

## MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 9:30 A.M. on March 2, 2005 in Room 526-S of the Capitol.

Committee members absent: Senator Janis Lee- excused

Committee staff present: Athena Andaya, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Bruce Kinzie, Revisor of Statutes' Office  
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Jim Widener, Kansas Municipal Energy Agency  
Charles Benjamin, Sierra Club  
Bruce Snead, Kansas Energy Council  
Paul Johnson, Kansas Catholic Conference  
Larry Holloway, KCC

Others in attendance: See attached list

Vice Chairman Pat Apple opened the hearing on:

**HB 2047 - Municipal energy agencies; size of board of directors; application of budgeting and cash-basis law; security interests**

Proponents:

Jim Widener, general manager, Kansas Municipal Energy Agency of Overland Park, Kansas, noted that KMEA's prime mission is to assist their members in providing reliable and economical electric power to their community. **HB 2047** addresses some issues that have become outdated and restrictive as the electrical industry has changed. Proposed amendments eliminates residency requirements of board of directors and removes the minimum number of directors requirement. The most critical requested change concerns the cash-basis law which if not made applicable to KMEA, would allow them the option to sign a Reimbursement Agreement and not require a letter-of-credit. Mr. Widener provided support letters from the Kansas Municipal Utilities, South Central Municipal Energy Agency and the Kansas Power Pool. (Attachment 1)

Vice Chairman closed hearing on **HB 2047**.

Chairman Jay Scott Emler opened the hearing on

**HB 2084 - Energy efficiency and conservation programs for certain residential customers**

Proponents:

Charles Benjamin, Sierra Club Kansas Chapter, presented testimony prepared by Bill Griffith, Chairman of Kansas Chapter of the Sierra Club. (Attachment 2)

Bruce Snead, Kansas Energy Council, reviewed their proposed amendments to **HB 2084**. (Attachment 3)

Paul Johnson, Kansas Catholic Council and Public Assistance Coalition of Kansas, testified that **HB 2084** is the first step in encouraging conservation and energy efficiency programs for certain residential and commercial customers. (Attachment 4)

Written testimony was provided by:

Rep. Tom Sloan (Attachment 5)  
Sandy Braden, Kansas City Power & Light (Attachment 6)

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on March 2, 2005 in Room 526-S of the Capitol.

Hearing on **HB 2084** (cont.)

Opponents

Larry Holloway, Chief of Energy Operations, Kansas Corporation Commission, stated that the Commission opposes this bill. The premise of allowing a regulated utility to recover more than its investment is a violation of sound regulatory policy and an incentive to make unwise investments in a fashion that could drastically increase utility rates. (Attachment 7)

Due to the lack of time, Mr. Holloway was not able to complete his presentation and will return when the bill is rescheduled before the Senate Utilities committee.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 7