

Approved: April 2, 2002  
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 20, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Ward Loyd

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

Conferees appearing before the committee: Stuart Lowery, Kansas Electric Cooperatives  
Doug Lawrence, Westar Energy  
Kim Gulley, League of Kansas Municipalities  
Scott Keith, UtiliCorp United

Others attending: See Attached List

### **HB 2661 - Retail electric suppliers; service rights in area annexed by city; procedures; compensation when service rights terminated**

Chairman Holmes opened the hearing on **HB 2661**. The committee's attention was directed to four pieces of written testimony submitted: Colin Hansen, Kansas Municipal Utilities, in support (Attachment 1); Leslie Kaufman, Kansas Farm Bureau, in support (Attachment 2); Joe Lieber, Kansas Cooperative Council, in support (Attachment 3); and Brett Myers, Kansas Agricultural Alliance, in support (Attachment 4).

Stuart Lowry, Corporate Counsel for Kansas Electric Cooperatives, appeared in support of **HB 2661** (Attachment 5). Mr. Lowry explained that this bill was a compromise fashioned by a working group representing utility and municipal interests. He stated that it benefits electric suppliers to be able to utilize known standards in negotiating municipal franchises and it benefits cities if multiple suppliers attempt to secure the ability to serve within a city.

Doug Lawrence, Vice President for Public Affairs for Westar Energy, testified in support of **HB 2661** (Attachment 6). Mr. Lawrence stated that, ultimately, the bill represents a fair solution to a nagging problem.

Kim Gulley, Director of Policy Development & Communications for the League of Kansas Municipalities, appeared as a proponent to **HB 2661** (Attachment 7). Ms. Gulley also outlined the activities that lead to the compromise legislation. She stated that the new administrative procedures outlined would serve as a road map for annexation and that all parties involved would be understanding and fair.

Mr. Lowry, Mr. Lawrence, and Ms. Gulley responded to questions from the committee. Additionally, Paula Lentz, Assistant General Counsel for the Kansas Corporation Commission, answered questions from the committee.

W. Scott Keith, Manager of Electric Tariffs in Kansas and Colorado for UtiliCorp United, addressed the committee in opposition to **HB 2661** (Attachment 8). Mr. Keith stated that they were opposed to several sections of the bill, including the amendments on rates of various suppliers, the economic impact on the suppliers, and the economic impact on the customers of suppliers. Mr. Keith included a copy of the testimony provided to the Senate Utilities Committee from Jim Flaherty. Mr. Keith responded to questions from the committee. Additionally, Tom Day, Legislative Liaison for the Kansas Corporation Commission, responded to questions.

Chairman Holmes closed the hearing on **HB 2661**.

### **HB 2746 - Station power exempted from retail electric suppliers act**

Chairman Holmes opened the hearing on **HB 2746**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:06 a.m. on February 20, 2002.

Barry Hart, Executive Vice President of Kansas Electric Cooperatives, testified in support of **HB 2746** (Attachment 9). Mr. Hart provided background on the proposed legislation. The bill defines requirements and exclusions for those who provide station power to new generation plants.

David McCoy, on behalf of Great Plains Power, appeared in support of **HB 2746** (Attachment 10). Mr. McCoy stated that the bill removes a barrier to entry for wholesale electrical generating companies that may be considering doing business in the state. Mr. McCoy also suggestion clarifying language supported by other industry representatives.

Mark Schreiber, Senior Manager of Governmental Affairs for Westar Energy, addressed the committee in support of **HB 2746** (Attachment 11). Mr. Schreiber reiterated that the proposed generation provided incentives for the construction of new generation.

Mr. Hart, Mr. McCoy and Mr. Schreiber responded to questions from the committee.

Chairman Holmes opened the debate on **HB 2746**.

Representative Sloan moved to amend the bill as proposed by industry (See Attachment 9). Representative Kuether seconded the motion. The motion carried. Representative Dillmore moved that **HB 2746**, as amended, be reported favorable for passage. Representative Dreher seconded the motion. Motion carried. Representative Dillmore will carry the bill.

The meeting adjourned at 10:35.

The next meeting will be February 21, 2002