

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 15, 2001 in Room 231-N of the Capitol.

All members were present except:

Committee staff present:       Raney Gilliland, Legislative Research  
  Emalene Correll, Legislative Research  
  Bruce Kinzie, Revisor of Statutes  
  Lisa Montgomery, Revisor of Statutes  
  Ann McMorris, Secretary

Conferees appearing before the committee:

Rep. Tom Sloan  
Chris Giles, Kansas City Power & Light  
Max Sherman, Aquilla Energy  
Bruce Graham, KEPCO  
Sheldon Hamilton, Utilicorp

Others attending:        See attached list

Chair reviewed the various handouts:

Three news stories - (1) Wyoming Gas Tapped but Waits to Flow tells how environmental lawsuits have slowed dramatically new production of natural gas; (2) legislative watch - National Resources Defense Council - regarding legislative efforts on energy policy, brownfield and pipeline safety; (3) Colorado may not be immune to power gap - Xcel Energy warned technology companies of the shortage of reliable power and are working hard to ensure a reliable power supply to Colorado's growing economy, much of it fueled by high technology. (Attachment 1)

Research staff provided copies of a 1997 study on "Electric Utility Industry Restructuring: Kansas Taxation Issues". (Attachment 2)

Chair opened the hearing on:

**SB 177 - Independent power producer property, taxation, assessed rate**

Proponents:

Rep. Tom Sloan (Attachment 3)

Committee questioned what constitutional changes would be required.

Max Sherman, Aquilla Energy (Attachment 4)

Committee questioned Mr. Sherman regarding water requirements, new technology for coal operations, and costs to establish new plants.

Chris Giles, Kansas City Power & Light (Attachment 5)

Bruce Graham, Kansas Electric Power Cooperatives, Inc. (Attachment 6)

Jim Ludwig, Western Resources (Attachment 7)

Sheldon Hamilton, Utilicorp (Attachment 8)

Mr. Hamilton provided statistics on market and taxable assessments for \$250 million and \$660 million plants. He noted the statistics do not include the impact the McGraw Fertilizer Case would have when settled,

but estimated a 50% increase..

Chair closed hearing on **SB 177**.

Approval of committee minutes

Moved by Senator Emler, seconded by Senator Barone, minutes of the Senate Utilities Committee meetings held on February 12, 2001 and February 13, 2001, be approved. Motion carried.

Next meeting of the Senate Utilities Committee will be held on February 16 on adjournment of the Senate.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 8