

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:08 a.m. on March 10, 2004 in Room 231-N of the Capitol.

All members were present except: Representative Nile Dillmore

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

Conferees appearing before the committee: Susan Cunningham, Kansas Corporation Commission
John Gaberino, OneOk

Others attending: See Attached List

SB 310 - Public utilities, subsidization of nonregulated affiliates

Chairman Holmes opened the hearing on **SB 310**.

Susan Cunningham, General Counsel for the Kansas Corporation Commission, addressed the committee in support of **SB 310** (Attachment 1). Ms. Cunningham provided testimony written by Don Low, Director of Utilities for the Commission. She told the committee that the Commission had requested the introduction of the bill in order to clarify its authority to promulgate rules and regulations on certain matters. The Commission is considering rules that would restrict the potentially harmful effects of transactions involving the unregulated activities of a utility company or its affiliates. Ms. Cunningham responded to questions from the committee.

John Gaberino, Senior Vice President and General Counsel for OneOk, Inc., testified in opposition to **SB 310** (Attachment 2). Mr. Gaberino stated that the Commission already has the authority to address transactions between public utilities and their affiliates. He told the committee that action should not be taken in regulating the transactions between a public utility and its affiliate, with the net result possible higher prices to consumers. Mr. Gaberino responded to questions from the committee.

Additionally, Bruce Graham, Kansas Electric Power Cooperatives, and Stuart Lowry, Kansas Electric Cooperatives, responded to questions from the committee.

Chairman Holmes closed the hearing on **SB 310**.

The meeting adjourned at 10:13 a.m.

The next meeting is Thursday, March 11, 2004.