

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on March 7, 2002 in Room 231-N of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research
 Bruce Kenzie, Revisor of Statutes
 Ann McMorris, Secretary

Conferees appearing before the committee:
 Justin Hamlin, Southwest Kansas Irrigation Association
 Larry W. Headley, Utilicorp United Inc.
 Leo Haynos, Kansas Corporation Commission
 Bill Dowling, Midwest Energy

Others attending: See attached list

Chairman Clark extended an invitation to the committee members to attend the Homeland Security Briefing on March 11, 2002 from 10:00 to 11:30 a.m. in the Kansas Defense Building, 2800 SW Topeka Blvd., Topeka. No Senate Utilities Committee meeting would be held on that date.

Appointment of Brian Moline to KCC

Senator Clark asked the committee to let him know by Tuesday, March 12 if they wanted Brian Moline to make a personal appearance before the committee to confirm his appointment to the Kansas Corporation Commission to serve a four year term ending March 15, 2006.

Chair continued hearing on

SB 547 - Rural Kansas self-help gas act

Justin Hamlin, Southwest Kansas Irrigation Association, reported they were working with Midwest Energy on a compromise but still have not reached an agreement on all issues. The group had contacted Utilicorp but were told upper management would be back with them but no contact was made. He noted this is not about rates, this is truly a problem with service. Utility companies say they want to serve but no cooperation is received on our requests. He urged the passage of **SB 547**.

Larry Headley, Utilicorp United Inc., noted **S.B 547** promotes the creation of non-profit utilities (NPU) at the expense of other ratepayers. The proposed KCC amendments are reasonable, by inserting a logical step-by-step process. He felt the 30 days for a utility to develop a proposal is unrealistic and recommended a period of 60 to 70 days be allowed to contact absentee landowners for real estate easements and obtain data. He corrected a statement in a letter sent the committee which said that NPUs paid taxes. Under KSA 79-201j NPUs are exempt from all property or ad valorem taxes levied under the laws of the state of Kansas. (Attachment 1)

Leo Haynos, Kansas Corporation Commission, reviewed KCC's response to Midwest Energy's proposed language for **SB 547**. (Attachment 2)

Bill Dowling of Midwest Energy presented supplemental comments on their previous testimony. (Attachment 3)

Committee members questioned the various conferees regarding rates, service cost, 30 days time period to develop a proposal, cost to customer to connect to service where customer is out of normal service area.

Chair closed the hearing on **SB 547**.

Senator Tyson offered an amendment to **SB 547**.

Moved by Senator Tyson, seconded by Senator Emler, **SB 547** be amended as offered by Senator Tyson.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on March 7, 2002 in Room 231-N of the Capitol.

Motion failed 4-4. (Attachment 4)

Moved by Senator Taddington, seconded by Senator Brownlee, **SB 547** be amended as proposed by KCC with an amendment to change from publication in statute book to publication in Register. Motion carried. 5-4 (Attachment 5)

Moved by Senator Brownlee, seconded by Senator Tyson, **SB 547** be passed out favorably as amended. Motion carried.

The next meeting of the Senate Utilities Committee will be on March 12, 2002.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 5