

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 1, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Melody Miller - Excused

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: Representative Tom Sloan, Lawrence, KS  
Steve Miller, Sunflower Electric, Hays, KS  
Carl Huslig, Aquila Networks, Kansas City  
Charles Benjamin, Sierra Club, Lawrence, KS  
Lee Allison, Governor's Office, Topeka, KS  
Larry Holloway, Kansas Corporation Commission, Topeka, KS  
David Springe, Citizens' Utility Ratepayer Board, Topeka, KS  
Joseph Molina, Office of the Attorney General, Topeka, KS

Others attending: See Attached List

**HB 2045 - Recovery of costs of construction and upgrading of electric transmission facilities**

Chairman Holmes opened the hearing on **HB 2045**.

Representative Tom Sloan presented testimony in favor of **HB 2045** (Attachment 1). Representative Sloan told the committee that the bill was designed to solve a problem associated with cost recovery of transmission construction project expenses. He also stated that the proposal was not revolutionary, but would place Kansas as a national leader for innovation of transmission policies. Representative Sloan also distributed a map of Kansas showing the current system of transmission lines (Attachment 2).

Steve Miller, Senior Manager for External Affairs for Sunflower Electric Power Corporation, appeared in support of **HB 2045** (Attachment 3) and on behalf of Sunflower, Kansas Electric Power Cooperative, Kansas Electric Cooperatives, and Midwest Energy. Mr. Miller told the committee there were two persistent questions that the industry struggled with; where are transmission infrastructure improvements needed and who is going to pay for them. He stated that they felt this legislation would help stimulate growth in the transmission system in Kansas.

Carl Huslig, Vice President Transmission for Aquila Networks - WPK, provided testimony in support of **HB 2045** (Attachment 4). Mr. Huslig applauded the committee's vision to supply the state with a reliable and reasonably priced transmission system and the process to adequately recover costs.

Charles Benjamin, appearing on behalf of the Kansas Chapter of Sierra Club, testified in favor of **HB 2045** (Attachment 5). Mr. Benjamin stated they were supportive of legislation that provides incentives for construction on increased electrical transmission capacity, specifically in areas where the bulk of the state's wind energy resources are located.

Lee Allison, Science and Energy Policy Advisor to the Governor, endorsed the concepts and goals outlined in **HB 2045** (Attachment 6). He stated that it is a timely option in the absence of regional and national solutions.

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, appeared on behalf of the Commission, in opposition to **HB 2045** (Attachment 7). Mr. Holloway shared two concerns with the proposal. The first is in the language dealing with 'recognized body' and the second dealing with the requirement of the Commission to allocate costs. The Commission feels that this action should await the outcome of the regional process .

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 231-N26-S Statehouse, at 9:06 a.m. on February 1, 2005.

David Springe, Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB), offered testimony as an opponent to **HB 2045** (Attachment 8). Mr. Springe stated that CURB believes the legislation is beyond the type of dispute resolution or cost allocation process that will have no direct benefit to consumers. While CURB supports the creation of a process to deal with disputes, they cannot support the type of cost recovery mechanisms proposed.

The conferees responded to questions from the committee. Chairman Holmes closed the hearing on **HB 2045**.

Chairman Holmes welcomed Joseph Molina, Assistant Attorney General, Consumer Protection Division, to the committee. Mr. Molina provided an update on the Kansas No-Call Act (Attachment 9). He provided a brief history of the No-Call Act and its relationship to the National Do Not Call Registry. Mr. Molina stated that the Kansas No-Call Act was a proven success and has fulfilled its intended purpose; to provide accountability for unwanted intrusions into an individual's home. Mr. Molina responded to questions from the committee.

The meeting adjourned at 10:27 a.m.

The next meeting is Wednesday, February 2, 2005 at 9:00 a.m.