

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:12 a.m. on February 9, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Richard Alldritt
 Rep. Tricia Lightner
 Rep. Margaret Long

Committee staff present: Lynne Holt, Legislative Research
 Mary Torrence, Revisor of Statutes
 Jo Cook, Committee Secretary

Conferees appearing before the committee: Larry Holloway, Kansas Corporation Commission
 Jon Miles, Kansas Electric Cooperatives
 Walker Hendrix, Citizens' Utility Ratepayer Board

Others attending: See Attached List

HB 2307 - Relating to mergers; concerning standards for approval by KCC

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, testified on **HB 2307 (Attachment 1)**. Mr. Holloway explained that the Commission does not support or oppose the bill, however, he noted that the adoption of this legislation may be somewhat restrictive in the Commission's ability to respond to changes in the industries it regulates. Mr. Holloway responded to questions from the committee.

Jon Miles, Vice President of Governmental and Technical Services for Kansas Electric Cooperatives (KEC), appeared in opposition to **HB 2307 (Attachment 2)**. He stated that they do not believe the factors the bill raises are applicable to rural electric cooperatives. Mr. Miles responded to questions from the committee.

Walker Hendrix, Consumer Counsel for the Citizens' Utility Ratepayer Board, testified in a neutral position on **HB 2307 (Attachment 3)**. Mr. Hendrix explained that this bill may create some hardship for consumers, but to the extent that it protects ratepayers, he has no objection. He asked that the committee take into account the various provisos proposed and to consider the interest of ratepayers by placing the highest priority on protecting the public interest in adopting merger standards. Mr. Hendrix responded to questions from the committee.

Mike Murray, representing Sprint, distributed a written statement on **HB 2307** that included comments on **HB 2309 (Attachment 4)**. Mr. Murray stated that this bill would likely result in costly and damaging delays in completing a merger.

HB 2309 - Relating to certain employee compensation, prohibiting inclusion in rates

Walker Hendrix, Consumer Counsel for the Citizens' Utility Ratepayer Board, testified in support of **HB 2309 (Attachment 5)**. Mr. Hendrix stated that this bill compels the Commission to review the compensation of employees as part of its review in a utility rate case. Mr. Hendrix responded to questions from the committee. Members of the Kansas Corporation Commission's staff were present and also responded to questions from the committee.

Mr. Murray's remarks (Attachment 4) on **HB 2309** stated that dealing with compensation could impair a utility's ability to attract the best talent for its business.

Meeting adjourned at 10:58 a.m.

Next meeting is Monday, February 12, 2001.