

Approved: February 12, 2002

Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES IN JOINT SESSION WITH THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by House Chairman Carl Holmes at 9:33 a.m. on January 16, 2002 in Room 526-S of the Capitol.

All members were present except: Rep. Gene O'Brien

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

Conferees appearing before the committee: Larry Holloway, Kansas Corporation Commission
Paula Lentz, Kansas Corporation Commission

Others attending: See Attached List

Larry Holloway, Chief of Energy Operations - Kansas Corporation Commission, provided a power point presentation updating the committee on Regional Transmission Organization (RTO) activities (Attachment 1). Mr. Holloway profiled the electric power system and provided a map of Kansas electric transmission lines. He also addressed transmission, generation and demand trends through 2005. Mr. Holloway provided detail on FERC Order 888, which listed operating requirements for all transmission owners, and FERC Order 2000, which directed all transmission owners to join an RTO. Additionally, information regarding the July 2001 FERC orders, regarding the Southwest Power Pool's request to become an RTO and the FERC's preference for one RTO in the Midwest, was shared. Mr. Holloway then outlined probable future FERC actions and RTO activity of the Corporation Commission. Mr. Holloway responded to questions from the committee.

Tom Day, Legislative Liaison for the Kansas Corporation Commission, then introduced Paula Lentz, Assistant General Counsel for the Commission, who addressed the committee on the ad valorem tax refund issue (Attachment 2). Ms. Lentz provided an executive summary and background on the issue. She explained that there was still one company negotiating a settlement and another that was nearing completion of negotiations at the federal level. State proceedings include several lawsuits filed, with one group's appeal pending before the Kansas Supreme Court. Ms. Lentz responded to questions from the committee.

The meeting adjourned at 10:28 a.m.

The next meeting will be Tuesday, January 22, 2002.