

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on January 27, 2004 in Room 231-N of the Capitol.

All members were present except: Representative Margaret Long

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: Carl Huslig, Aquila
Steve Miller, Sunflower Electric Cooperative
Mark Schreiber, Westar Energy
David Springe, Citizens' Utility Ratepayer Board
Larry Holloway, Kansas Corporation Commission

Others attending: See Attached List

HB 2516 - Incentives to increase electric transmission system and generation capacity; state corporation commission powers

Chairman Holmes opened the hearing on **HB 2516**.

Carl Huslig, Manager Transmission Services for the Aquila Networks, testified as a proponent to **HB 2516 (Attachment 1)**. Mr. Huslig stated that they strongly supported the committee's vision to supply the state with a reliable and reasonably priced transmission system that provides adequate cost recovery for the owners.

Steve Miller, Senior Manager of External Affairs for the Sunflower Electric Power Corporation, appeared on behalf of Sunflower, Kansas Electric Power Cooperatives, and Kansas Electric Cooperatives. Mr. Miller presented testimony in support of **HB 2516 (Attachment 2)**. He stated that they believed the proposal can bring improvements to the electric power supply and delivery systems in Kansas.

Mark Schreiber, senior manager government affairs for Westar Energy, addressed the committee as a proponent of **HB 2516 (Attachment 3)**. Mr. Schreiber told the committee that the bill provide several incentives to the electric industry, especially for investments in construction or upgrades of transmission facilities. He also commended the committee's efforts to anticipate the energy needs of the state.

Mr. Huslig, Mr. Miller, and Mr. Schreiber responded to questions from the committee.

David Springe, Consumer Counsel for the Citizens' Utility Ratepayer Board, offered testimony in opposition to **HB 2516 (Attachment 4)**. Mr. Springe cautioned the committee to not create obligations that force undue burden on the customers of Kansas regulated electric utilities they the wish of the legislature is to build additional generation and transmission facilities in the state.

Larry Holloway, Chief of Energy Operations for the Kansas Corporation Commission, provided comments on **HB 2516 (Attachment 5)**. Mr. Holloway stated that Commission was taking a neutral stance on the bill and outlined their understanding and concerns for several sections.

Mr. Springe and Mr. Holloway responded to questions from the committee.

Chairman Holmes closed the hearing on **HB 2516**. He announced that the bill would be referred to a sub-committee consisting of Representatives Sloan, Kassebaum, Neighbor, Svaty, and Ward.

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Chairman Holmes then asked for bill introductions. Representative Long-Mast requested that a bill be introduced that placed a moratorium on wind farms in the Flint Hills area of the state. Representative Long-Mast moved to introduce the bill as a committee bill. Representative Carter seconded the motion. The motion carried.

The meeting adjourned at 10:23 a.m.

The next meeting will Wednesday, January 28, 2004.