

## MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Stan Clark at 9:30 a.m. on February 11, 2004 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Revisor of Statutes  
Raney Gilliland, Legislative Research  
Ann McMorris, Secretary

Conferees appearing before the committee:

Richard Good, Westar Energy  
Larry Dolci, Kansas City Power & Light  
Larry Holloway, Kansas Corporation Commission  
David Springe, CURB

Others attending:

See Attached List.

Senator Lyon introduced his guests - four members of Leadership Group; Senator Emler introduced the four pages serving in the Senate from his district.

Chairman Clark opened the hearing on

### SB 382 - Recovery of certain costs of security measures, public utilities

#### Proponents:

Larry Dolci, Director Resource Protection, Great Plains Energy, after providing a background of the regulations and guidelines that require utilities to spend significant additional amounts on security, stated that removal of the sunset provision as proposed in **SB 382** will benefit the citizens of Kansas by assuring that utilities have funding available to follow sound and reasonable security practices. (Attachment 1)

Richard Good, Senior Manager Disaster Recovery & Infrastructure Security, Westar Energy, supports **SB 382** to ensure security costs are recovered appropriately and in a reasonable manner. (Attachment 2)

#### Opponents:

Larry Holloway, Chief of Energy Operations, Kansas Corporation Commission, testified in opposition to **SB 382**. KCC opposes adoption of prescriptive requirements in statutes for several reasons: (1) KCC already has the authority, responsibility, ability and expertise to investigate each issue, and to establish rules and policies allowing utilities to recover reasonable costs; (2) KCC has the ability to quickly modify such a policy if it finds that it is being abused, needs revision and is no longer needed due to changing circumstances; and (3) KCC notes that no electric or gas utility has applied to the Commission to recover security costs addressed by K.S.A. 66-1233, and that recovery of such costs under an accounting order may be more appropriate.

Included with his testimony were the following documents: (1) Relocation of Facilities Tariff for Western Resources; (2) Municipal Underground Service Rider; (3) Relocation of Facilities Tariff for Kansas Gas & Electric Co; and (4) Docket Order for an Accounting Authority Order Application. (Attachment 3)

David Springer, Consumer Counsel, Citizens' Utility Ratepayer Board, believes the provisions of K.S.A. 66-1233 et seq., and specifically K.S.A. 66-1236 are clearly harmful to utility consumers. He feels consumers have a right to know when, why and where their utility rates are being increased and a right to expect that security expenditures will be reviewed to determine whether they are prudent. (Attachment 4)

Much discussion on comparison of accounting orders versus rate increase hearings, cost to consumers, time element, retention of confidentiality, and the current rules and regulations.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at 9:30 a.m. on February 11, 2004 in Room 526-S of the Capitol.

Chair closed the hearing on **SB 38**.

Chair announced the meeting schedule of the Senate Utilities Committee for the week of February 16 and noted that there would be an informational meeting on Tuesday, Feb. 17, for **SB 455** for proponents only.

The next meeting of the Senate Utilities Committee is scheduled for February 12, 2004.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 4