

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 21, 2008 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Senator Roger Reitz
Prof. Kenneth Shultis, Kansas State University
Mark Schreiber, Westar Energy
Paul Snider, Kansas City Power & Light
Tom Thompson, Sierra Club
David Springe, CURB

Others in attendance: See enclosed list.

Chair Emler opened the hearing on:

SB 586 - Incentives to encourage development of nuclear power by utilities and authorizing recovery of certain costs.

Proponents:

Senator Roger Reitz noted the Senate Utilities Committee is concerned about development of nuclear energy. **SB 586** is a step in that direction and it would authorize an electrical utility to recover its expenditures for a study and allows recovery of feasibility study costs for a new nuclear generation plant. He introduced Dr. Ken Shultis of Kansas State University. ([Attachment 1](#))

Dr. Ken Shultis, Professor of Mechanical and Nuclear Engineering and Nuclear Engineering Program Director at Kansas State University, provided facts about nuclear power as it is presently being developed in the US and elsewhere in the world. Currently, the US has 104 Nuclear Power Plants in 34 states. US nuclear power has a demonstrated 40-year record of reliable and safe operation. Economically, nuclear plants are expensive to construct but inexpensive to operate. Worldwide, there are 439 nuclear power reactors operating in 30 countries. China has plans to construct 2 new nuclear plants every year for the next 15 years. Fuel recycling and nuclear waste storage concerns were discussed. Dr. Shultis provided information on nuclear engineering at K-State. ([Attachment 2](#))

Mark Schreiber, Westar Energy, noted that Jim Ludwig of Westar testified on January 23, 2008 before the Senate Utilities Committee. He provided a status update on the nuclear industry and offered some conceptual statutory changes that could create a more favorable environment for the expansion of commercial nuclear power in Kansas. Those recommendations are included in **SB 586**. ([Attachment 3](#))

Paul Snider, Kansas City Power & Light, KCP&L supports **SB 586** and suggests adding development costs to the list of recoverable items. ([Attachment 4](#))

Whitney Damron presented testimony in support of **SB 586** on behalf of the Board of Commissioners of Coffey County. ([Attachment 5](#))

Questions from the committee: Is China developing its own nuclear training programs? Future design of reactors and their safety. Are we moving fast enough? Dr. Shultis noted the 30 years that have past without much nuclear development in the US has now made it necessary to get reactors and other elements from foreign plants. Should there be a cap on predetermined costs? How far out can the planning for a facility go?

Opponents:

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on February 21, 2008 in Room 526-S of the Capitol.

Tom Thompson, Sierra Club, voiced Sierra Club opposition to construction of nuclear power plants. It is concerned about the issues of emissions, storing of radioactive waste and security. (Attachment 6)

David Springe, CURB, opposed **SB 586** for the following reasons: the bill deals with regulatory cost recovery related to nuclear power plant studies and construction; requires the KCC “shall” authorize study and feasibility costs by an adjustment to the utility’s rates; removes the KCC’s discretion to set appropriate depreciation rates. (Attachment 7)

Concern was voiced on the increase cost to consumers.

Chair closed the hearing on **SB 586**.

Chair closed the hearing on **SB 555**. He appointed a Subcommittee consisting of Senators Petersen, chair, Pine and Francisco to study the bill and return their findings to the Senate Utilities Committee.

John Flower, Bonner Springs, provided the committee with his comments on **SB 555** balloon amendment. (Attachment 8)

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 8