

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 26, 2002 in Room 231-N of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research
Emalene Correll, Legislative Research
Bruce Kinzie, Revisor of Statutes
Ann McMorris, Secretary

Conferees appearing before the committee:
Kim Gulley, League of Kansas Municipalities
Doug Lawrence, Westar
David Pierce, Washburn University

Others attending: See attached list.

The chairman opened the hearing on
SB 545 - Franchise agreements between public utilities and municipalities.

Doug Lawrence, Westar Energy, presented a draft for **Substitute Senate Bill 545** and reviewed the basis for the request for this bill and the concerns that led to making the original request for **SB 545**.
(Attachment 1)

Kim Gulley, League of Kansas Municipalities, noted that the issues of concern raised by electric and gas utilities can be divided into two separate categories: 1) right-of-way management; and 2) franchise/business relationships. She noted that fee pass through was another concern of the electric and gas industries and the League does not oppose an expedited process for the consideration of these fees as long as KCC remains the entity responsible for determining which fees and how much are passed through to consumers. (Attachment 2)

Questions were raised on right of way franchises and a moratorium.

Chairman closed the hearing on **SB 545**.

Moved by Senator Brownlee, seconded by Senator Emler, to amend **SB 545** with **Substitute for SB 545** as presented by Westar Energy. Motion carried.

Moved by Senator Brownlee, seconded by Senator Emler, to pass out favorably **SB 545** as amended. Motion carried.

Chair opened the hearing on
SB 547 - Rural Kansas self-help gas act.

David Pierce, Professor of Law, Washburn University, presented the proposed amendments to **SB 547**, respectfully submitted by the Southwest Kansas Irrigation Association. (Attachment 3)

A series of letters for a period from October 28, 1997 thru October 4, 2001 from Peoples Natural Gas to their customers regarding their service were distributed to the committee by the Southwest Kansas Irrigation Association. (Attachment 4)

Kansas Corporation Commission distributed their proposed amendments to **SB 547**. (Attachment 5)

After considerable discussion, the conferees were sent back to the table to reach a consensus on their proposed amendments to **SB 547**. The Chair stated the Committee would meet to consider their proposal

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on February 26, 2002 in Room 231-N of the Capitol.

at a meeting on the call of the chair.

Discussion and possible action on:

SB 546 - Natural gas supplier, termination of franchises.

Whitney Damron submitted amendments to **SB 546**. (Attachment 6)

Moved by Senator Emler, seconded by Senator Taddiken, to adopt the amendments to **SB 546** and to pass it out favorably as amended. Motion carried 7-2.

Approval of minutes

Moved by Senator Emler, seconded by Senator Barone, approval of minutes for meetings of the Senate Utilities Committee held on February 20, 2002, February 21, 2002, February 22, 2002, and February 25, 2002. Motion carried.

The next meeting of the committee will be on call of the chair.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 6