

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 21, 2003 in Room 231-N of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Others attending: See attached list

Continued hearing on

SB 104 - Prior authorization of ratemaking principles and treatment, KDFA issuance of bonds

Chair called for a report from the Subcommittee appointed to hear **SB 104**. Members of that subcommittee were Senator Emler, Senator Barone and Senator Taddiken. Senator Emler reported their deliberations had culminated into Proposed Substitute for Senate Bill No. 104. Sections 2, 3 and 4 of **SB 104** were deleted and in Section 1 (4) (c) the language "90 day" changed to "360 day.." (Attachment 1)

Larry Holloway of KCC suggested the language in Section 1(a) (3) be deleted. This language is: (3) "cost" means the total installed cost of the facility". The committee agreed to delete this language.

Chair closed the hearing on **SB 104**.

SB 51 was opened for possible action at the Senate Utilities Committee meeting on February 18, 2003 and after considerable discussion, it was moved by Senator Brownlee, seconded by Senator Lee, that the proposed balloon amendments to SB 51 be adopted. Since there was not sufficient time to discuss the motion and take action before adjournment at the February 18 meeting, the Chairman announced the motion would remain open until the next meeting of the Senate Utilities Committee on February 21.

Substitute motion by Senator Barone, seconded by Senator Taddiken, SB 104 be amended with proposed Substitute for Senate Bill No. 104, relating to public utilities' concerning prior determination of rate-making principles and treatment by the corporation commission. Motion carried.

Moved by Senator Barone, seconded by Senator Taddington, amend Substitute for Senate Bill No 104, by deleting Section 1 paragraph (3). Motion carried.

Moved by Senator Barone, seconded by Senator Taddiken, Proposed Substitute for Senate Bill No. 104 relating to public utilities concerning prior determination of rate-making principles and treatment by the corporation commission, be passed out favorably as amended. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on February 21, 2003 in Room 231-N of the Capitol.

Chair opened for action on

SB 80 - Public Utilities, Commission approval for selling, assigning or leasing certain assets.

Revisor of Statutes Office had been directed to make changes in **SB 80** as discussed in the committee deliberations and the committee was now considering **Substitute for SB 80 - 3rs0823 (Attachment 2)** Additional information was provided on action taken by the Federal Energy Regulatory Commission (FERC) on Thursday, February 20 which set stricter debt terms for US Utilities and affected the proposed **Substitute for SB 80 (Attachment 3)** Information by Moody's on Rating Definitions and Initial Ratings by Largest Agencies was provided the committee. (Attachment 4)

After considerable discussion on whether this bill was necessary after the action taken by FERC and further discussion on rating, KCC was requested to provide a list of companies this FERC action would involve and further action on the bill was tabled until the next meeting on Tuesday, February 24.

Chair reopened for action on

SB 51 - prohibiting the exclusion of excessive employee compensation ("golden parachutes") in public utility rates.

Moved by Senator Emler, seconded by Senator Lee, amend **SB 51** by changing the language in (d) add "publicly traded" public utility.. and insert "utility officers" instead of 12 highest paid employees and change the language in Section 1 (a) (1) to included but not limited to. Motion carried.

Substitute motion by Senator Wagle, seconded by Senator Lyon to table **SB 51**. Motion failed. 3 Yes and 5 No

Moved by Senator Barone, seconded by Senator Clark, to amend **SB 51** to exclude telecommunications companies under price cap regulation from the provisions to disclose ranges of salaries on page 2, line 12

Due to being out of time Chair announced the Committee would continue consideration of Senator Barone's motion on **SB 51** at their next meeting on February 25.

Approval of Minutes

Moved by Senator Barone, seconded by Senator Emler, minutes for the Senate Utilities meetings on February 12, 2003; February 13, 2003; February 17, 2003 and February 18, 2003 be approved. Motion carried.

The next meeting of the Senate Utilities Committee will be held on February 25, 2003.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on February 21, 2003 in Room 231-N of the Capitol.

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