

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The joint meeting of the Senate and House Utilities Committees was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 6, 2003 in Room 519-S of the Capitol.

All members were present except: Senator Emler, excused

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

Conferees appearing before the committee:
James Haines, Westar Energy, President and CEO

Others attending: List attached to House Utilities Committee minutes of February 6, 2003

Presentation by Westar

Mr. Haines presented the following information on Westar (Attachment 1)

1. Westar Energy Overview
2. New Management
3. Major Events of 2002 which included the Ice Storm, Sale to Midwest Energy, U.S. Attorney's investigation; and FERC subpoena,
4. KCC Restructuring Orders
5. Financial issues
6. Graphs comparing Residential, Commercial, and Industrial rates with averages for other states and the nation.
7. 2002 Quality of Service
8. Future outlook

Mr. Haines noted Westar had filed a comprehensive plan with the Kansas Corporation Commission outlining how the company intends to reduce debt and become exclusively an electric utility. (Attachment 2)

He summarized the intent of this plan and a copy of the Westar Energy Debt Reduction and Restructuring Plan as filed with KCC was provided the committee. (Attachment 3)

Questions were asked Mr. Haines regarding diversification, shareholders, dividends, sale of non-electrical holdings, structure of the board of directors and their involvement in decision making, their reimbursement, length of terms, and number of meetings held annually.

The next meeting of the Senate Utilities Committee will be on February 12.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on February 6, 2003 in Room 519-S of the Capitol.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3