

Approved: February 12, 2002

Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES IN JOINT SESSION WITH THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by House Chairman Carl Holmes at 9:30 a.m. on January 15, 2002 in Room 526-S of the Capitol.

All members were present except:   Rep. Gene O'Brien  
  Rep. Ray Merrick

Committee staff present:     Robert Chapman, Legislative Research  
  Dennis Hodgins, Legislative Research  
  Mary Torrence, Revisor of Statutes  
  Jo Cook, Administrative Assistant

Conferees appearing before the committee:   None

Others attending:                 See Attached List

A list of twelve proposed bills for introduction (Attachment 1) was distributed to the members of the House Committee. Rep. Sloan moved that the list of bills be introduced as committee bills. Rep. Long seconded the motion. Motion carried.

Chairman Holmes welcomed Chairman Stan Clark and the members of the Senate Committee on Utilities. He then introduced Robert Chapman, Fiscal Analyst for Kansas Department of Legislative Research, who provided an overview of the Reports of the Special Committee on Utilities to the 2002 Kansas Legislature (Attachment 2). Mr. Chapman addressed the topic of Municipal Annexation and Electric Service Territories. He provided a brief history of the Retail Electric Suppliers Act. Mr. Chapman then spoke on the specifics of the study, including the effect of annexation on the electric service supplier, compensation due to a supplier whose service is terminated, compensation required if franchise holders' rights are terminated, and issues decided by the Kansas Court of Appeals. The committee recommended amendments to the Electric Retailers Suppliers Act to require notice to electric retail suppliers of city annexation decisions and to require cities to consider certain factors when deciding which electric supplier should provide service to newly annexed areas.

The next topic addressed by Mr. Chapman was the study of issues relating to the state's role in implementing the National Energy Plan. Mr. Chapman explained that testimony was provided on many aspects of this topic, including: electric infrastructure and energy policy, energy conservation improvement programs, alternative fuel initiatives, bird proofing of electric transmission lines, peak shaving devices, bill stuffers and Powerstat, energy assistance programs, planning generation needs and RTO choices. The interim committee's recommendations include the promotion of energy efficiency and energy conservation efforts overall and increased efforts to educate consumers on ways to improve energy efficiency and conservation; reviewing efforts to create more awareness of energy assistance programs; utilization by the Board of Regents' institutions of incentives to reduce energy costs; and the introduction of three concurrent resolutions that: 1) Urge Congress to proceed with all due haste to approve and begin storage of radioactive waste at Yucca Mountain in Nevada; 2) Urge Congress to reauthorize and extend the Federal Tax Credits for wind generation facilities; and 3) Urge Congress to open Alaska's Arctic National Wildlife Refuge for the exploration of oil.

The final topic Mr. Chapman discussed was natural gas pricing and supply. This topic was a follow up to the concerns raised during the winter of 2000-2001 about the high prices of natural gas. Also addressed was the ad valorem tax refund issue and the progress of settlement negotiations surrounding the refunds. Although no legislation was recommended, the committee requested joint meetings of the Senate and House Utilities Committees take place to have members briefed on these activities.

Chairman Holmes announced the committee's schedule for the following week and Senate Chairman Clark stated that there was a need to take a look at the long term energy situation and there would be status reports from companies that provide services in Kansas.

The next meeting will be Wednesday, January 16, 2002 at 9:30 a.m., again in joint session with the Senate Utilities. The meeting adjourned at 10:12 a.m.