

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Sen. Pat Ranson at 1:30 p.m. on January 25, 2000 in Room 531-N of the Capitol.

All members were present except:

Sens. Hensley and Salisbury were excused

Committee staff present:

Lynne Holt, Legislative Research Department  
Mary Torrence, Revisors of Statute Office  
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:

Tom Day, Legislative Liaison, Kansas Corporation Commission  
Larry Holloway, Acting Director, Utilities Division, Kansas Corporation Commission  
Rosemary Foreman, Director, Public Affairs and Consumer Protection, Kansas Corporation Commission

Others attending:

See attached list

Sen. Ranson acknowledged Tom Day, who requested the drafting of a bill amending the Kansas Underground Damage Prevention Act. Mr. Day explained the intent of the bill is to give the Commission discretion in assessing penalties with other alternatives for a violation of the Act. **Sen. Steffes made a motion the committee introduce the bill, and it was seconded by Sen. Brownlee; the motion passed.**

Sen. Ranson referred to the Wind Generation presentation last week and the question regarding their customers and locations. She referred to a letter from David Holthaus (Western Resources), which contains a listing of Green Power customers and their locations (Attachment 1). She advised that members may get a copy by contacting Jeanne.

Sen. Ranson announced the agenda, which is a meeting next Thursday regarding merchant power plants and the property tax differential between Missouri and Kansas. There were no other bill requests.

Sen. Ranson announced the committee will hear information on complaints, as filed with the Kansas Corporation Commission. She asked Larry Holloway to present information to the committee (Attachment 2). Mr. Holloway introduced Rosemary Foreman, who will assist in answering questions. Mr. Holloway referred to a summary of statistics for informal electric and gas complaints from 1995 to 1999 (Attachment 3 & 4). He pointed out two facts to keep in mind when looking at the statistics - the acquisition of KPL Gas Service by ONEOK, forming Kansas Gas Service and the acquisition of KN Energy and Twin Counties Gas Company by Midwest Energy. Also the electric complaints reflect the KPL and KGE merger and formation of Western Resources. Mr. Holloway stated Ms. Foreman and staff receive calls from their 800 number and try to code them, as outlined in his summary. The formal complaints involve the complainant filing an application to open a formal investigation with the Commission, and may request the Commission to take specific action against the named utility. A formal complaint may also involve a utility filing for an investigation against another utility. He pointed out that of the six formal complaints filed in 1999, only one remains open.

Sen. Barone asked the difference between formal and informal complaints. Mr. Holloway answered that when a formal complaint is filed, the complainant files an application to open a formal investigation with the Commission, and requests specific action against the utility; however, an informal complaint can lead to a formal application and investigation. Ms. Foreman added that Commission policy is to handle all complaints at the informal level, hoping to resolve the matter between the parties. In answer to a question for clarification, Sen. Barone asked if the consumer decides if the complaint is to be formal, and Mr. Holloway answered yes. Ms. Foreman added that all cases are resolved; that it is their goal to satisfy the consumer, to help the consumer understand and to do some educating.

## CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE, Room 531-N Statehouse, at 1:30 p.m. on January 25, 2000.

Sen. Ranson asked if there are complaints regarding the gas gathering legislation passed two years ago, and Ms. Foreman answered those complaints would be directed to their Conservation Division in Wichita. Mr. Day added that there have been no complaints filed to date.

Sen. Clark asked if the complaint filed by the farmers and the Kansas Independent Oil and Gas producers against Sunflower Electric had been dropped. Mr. Holloway answered that the parties have status meetings on a regular basis; that some of the controversy surrounds the issue of reformulated debt. He stated the open access transmission filing is of concern to the RUS, and they are very much aware of the two dockets which are open. Sen. Clark also pointed to pages 23 and 38 of the KCC Electric Complaint Statistics and the Kansas Nebraska Natural Gas complaints and stated he is unaware that they have any electric business in the state. He also pointed to an entry in the KCC Gas Complaint Statistics, which indicates a complaint of the Kansas Universal Service Fund. Ms. Foreman acknowledged the coding is in error and stated that four people handle 20,000 complaint calls per year and some errors occur. Ms. Holt asked if CURB becomes involved with complaints, and Mr. Holloway answered CURB can intervene in the proceedings, and that the Commission will investigate if CURB comes to them with a complaint and asks for an investigation.

Sen. Ranson announced that an issue the committee will want to look at is the problem which has surfaced regarding school buying gas transport only; that there is a docket open which involves stranded cost. She requested that Mr. Holloway review the threshold on transport only contract gas. Mr. Holloway stated the open docket involves stranded costs and Kansas Gas Service. Sen. Ranson reminded the committee of a bill, which was heard last session: **SB 217-natural gas service; providing for competition in retail sales**, which remains in the committee.

Committee adjourned at 2:15.

Next meeting will be February 3, 2000.