

WHALES 2, PYGMIES 0 UTILITIES WOO REPS

BY C.D. CEDE

The utility lobbyists have been able to nip in the bud the two major consumer-oriented bills to come up in the Kansas Legislature so far--a bill giving the legislature authority to veto proposed nuclear plants, and a bill prohibiting the inclusion of construction work-in-progress (CWIP) costs in utilities' rate bases. But this year the lobbyist's have had to hump a little to earn their fat salaries.

K.G. & E's Wilson Cadman and Glenn Koester could often be seen lurking about on the third floor or the fifth floor of the Topeka Capital, sometimes amiably chatting with lawmakers, other times huddling with them, leaning into them, jaw-boning.

Cadman, a feisty little bull-terrier of a man, loves to recount the stings his industry must endure from the legislature, "Why is this industry in the spotlight?" he has fumed at his listener. Or, "What other industry would the legislature try to limit the executives' salaries? What other industry would be prevented from cutting off its services to delinquent bill payers?"

Cadman blames it on irrational, subversive environmentalists and anti-nuclear forces, who are threatening to hamstring the utilities which simply want to provide electricity to their customers.



These ideas are poured into legislators' ears night and day. Thus planted, they pop up again when legislators debate bills.

During the house debate on the nuclear power veto bill, Cadman's "besieged industry" thesis emerged, in swollen baroque form, from the mouth of Representative Ben Foster (R-Wichita) who said "The utilities are like giant, beached whales, lying helpless, as the environmentalist's, like primitive pygmies, dance around hacking at the whale's flesh!"

Donald Mainey (D-Topeka), replied that perhaps the utilities could stand to lose a little fat.

KP&L has been tightening its belt. Instead of taking legislators to fancy restaurants this session, KPL has been having "Hard-Times Buffets" in its offices. K.G.&E. still wines and dines lawmakers at restaurants, both following the lobbying adage, "The way to a legislator's vote is through his stomach."

Obviously, the utilities are old hands at the lobbying game. And at this writing the score stands: Whales - 2, Pygmies - 0.

For you sports fans who follow these things, we'll give a run-down of how the utilities knocked out both bills.

But first, a word on the rules. They're complicated. This helps the experienced players, the utilities, who know the rules inside out.

The first rule is that the utilities can have about as many professional players on their team



as they want. Wilson Cadman receives \$35,000 a year as K.G.&E's "vice-president for Customer and Community Services", but the legislature must be his major customer because you see him up there almost every day. He is on only one of such pros, who are paid for by utility customers, who are often pygmies.

The pygmies, however, must rely on unpaid amateur players. Thus, this year, the pygmies have one full-time advocate, Ann Bueker of the Mid-America Coalition for Energy Alternatives, and a few part-time players.

Secondly, if the pygmies want to change the law (the utilities seldom need a law changed, because they scored all their points a long time ago), they must carry a bill across at least seven goal-lines. If the bill is introduced in the House, it must be passed by the House Committee it's referred to. Then the House as a whole must approve the bill, and approve it again in a Final Action vote. If the bill makes it this far, it goes to the Senate, where these three steps are repeated. The seventh goal is the signing by the Governor.

CAPITAL Ins and Outs

Small wonder that the "pygmies" back home watching TV and reading the newspapers have a hard time figuring out what the hell is going on in Topeka.

Now, as the pygmies try to cross each of these goals with their bill, the utilities get to take a whack at them. If the utilities can stop the bill at any one of the goal lines, they win.

The judges in this game are our elected state representatives, many of whom won their seats with the help of contributions from the utilities.

The nuclear veto bill did pretty well; it made it past two goals. The Nuclear Veto bill, introduced by Representative Robert Miller (R-Wellington), would have required the legislature to approve any future nuclear plant within sixty days after its approval by the Kansas Corporation Commission. Failure to approve would be a veto of the plant. Thus the utilities would have to cross those seven goal lines to build their nuclear plant.

This was clearly not a radical bill. It didn't ask the legislators to decide for or against nuclear power. It simply gave them the authority to decide on future plants. What's more, the bill would only apply to plants built on land where a utility owned less than 25% as of 1976. Since utilities owned a good deal of unused land in 1976, it would be a while before the bill applied.

Miller's bill got him some good "media splashes", and it had symbolic importance, but its short-term, even long-term impact, was negligible.

In the hearings before the House Energy Committee, many folks testified in favor of the bill: Paul Johnson of the People's Energy Project, Ivan Wyatt of the Kansas Farmer's Union, Mary Ellen Salava of the Wolf Creek Opposition, Diane Tegtmeier of the Mid-America Coalition for Energy Alternatives, Paul Burmeister, a farmer from Claflin, Kansas, and Wichita geologist, Fred James, among others.

Senator Arnold Berman (D-Lawrence) told the committee, "With a nuclear system, the effects of an incident can be so substantial, that the decision to require Kansans to be exposed to such risks, however small, shouldn't be made without considering our people's concerns." Berman, an attorney and engineer, worked for the Atomic Energy Commission for five years.

Only the utilities testified against the bill. They claimed there were already avenues for public participation, and the bill would add to the extensive red tape.



Apparently the voice of just a couple of whales meant at least as much as those of many pygmies; the bill had to be watered down before being passed. Instead of requiring the legislature to approve a proposed nuclear plant, the legislature could disapprove. So, it would be the pygmies, not the whales, who would have to cross each of those seven goals.

The bill passed the first goal, barely on its feet.

At the second goal line, the House Committee of the Whole vote, the bill squeaked by 62-59. But the next day it was shot down on the Final Action vote, 49-73. For some reason, 16 legislators had switched to opposing the bill overnight.

Folks speculated that the utilities, saw how close the margin was and put last minute pressure on to kill the bill.

But Miller didn't think arm-twisting did it. "I think most legislators don't understand nuclear power, and they're afraid of the responsibility of a decision," Miller said. He might have added, the utility lobbyists are always at the legislator's elbows, saying, in effect, we'll take care of everything in this area. After all, energy is our business!

If the nuclear issue was difficult for some legislators to understand, the construction work in progress (CWIP) bill was enough to short-circuit their brains. CWIP is a matter of accounting, dollars, and cents. It's not the kind of thing that makes good headlines, but it's dear to the hearts of utility companies.

The bill was introduced by Ruth Luzati (D-Wichita) before the House Energy Committee.

As things stand now, electric utilities must either sell stock in the company or sell bonds in order to finance the construction of new power plants. Thus the customers do not pay for the new plants until they begin to produce electricity.

With CWIP, the customers would pay for the power plants as they are being constructed. The utilities argue in the long run this is a cheaper method since the utilities need not pay interest on the borrowed money. Many consumers feel that they would be paying for a service not obtained and that it takes away the incentive from utilities to do better with



what they already have.

Basil Kesey, K.G.&E. spokesman, subtly threatened brown-outs or black-outs if CWIP costs were not allowed in the rate base. He said, "No one can predict precisely--and I don't think we want to engage in that kind of disastrous discussion--where the point is that KPL and other Kansas utilities will have to mothball half-completed plants and leave customers without electric service."

This argument is an old standby of the utilities. It's really a kind of blackmail. Nobody wants to be blamed for a power failure; especially not elected officials! And there's no denying that the utilities control the power; they run the power plants. Who's to say they wouldn't drag their feet in power production if provoked, and lay the blame on regulations instituted in Topeka?

Apparently another tactic utilized by the utilities against the CWIP bill was rumor-mongering. One House veteran close to the action said he had reason to believe that a utility lobbyist planted the rumor that Luzati's "bill was a bill the Democrats were trying to ram through the House." He said, "This naturally set Republicans against the bill; nobody likes a bill rammed down his throat." He indicated the utilities were old hands at the game. "They know how to use partisan politics to their advantage."

And so, in the end, the committee was bewildered, intimidated. They amended the bill to read, instead of the corporation not considering CWIP costs as part of the base rate, the KCC may consider CWIP as part of the rate base. Then they referred the bill to interim study, which

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People's Energy Project

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