

KANSAS PUBLIC SERVICE CO. OUR (?) LOCAL GAS COMPANY



BY PAUL JOHNSON

Ever wonder who owns the gas company here in Lawrence? With the innocuous name of the Kansas Public Service Co., one might believe it is a city owned operation. Believe me, that is not the case although the Kansas Public Service Co. is only a small operation.

The truth of the matter is our gas company is primarily owned by three families. They are the Dunnes of Wichita, the Dockings (Virginia, George and Bob of Governor fame) and Hilda M. Holmes of Lawrence. The company has only issued 13,000 common stocks and 3,000 preferred stocks in its existence. By law, any person owning more than 5% of the common or preferred stock must be identified at the Secretary of State's Office. Together these families own 73% of all common stock and 75% of all preferred stock. Thus the lines of allegiance in our gas company are clearly defined.

The sole regulator of the Kansas Public Service Co. is the city commission of Lawrence. No state agency has control over KPS rates or profits. However, the Kansas Corporation Commission does have some say over pipeline safety. Thus, the citizens of Lawrence find themselves in position to elect city commissioners which have real power over the gas co.; power that has not been exercised in the past. Since gas prices were so cheap, consumption and adequate profits went hand in hand.

KPS buys all its gas from Cities Service Gas Co. Whenever Cities

Service hikes prices, our gas co. has little choice but to pass on the hikes. This is done by notifying the City Commissioners and waiting 30 days. If during this time, no Commissioners object, the price hike automatically goes into effect. This price hike is achieved by using the automatic fuel adjustment clause, and no extra profits are accrued since the added cost of gas flows through to the customers.



However, when the Gas Co. feels that profits are too low due to inflation and unexpected increases, the Gas Co. presents new rates to the City Commission to gain greater revenues. It's at this point in the past that the City Commission has felt helpless to understand the rate request so they pass it on to a consulting firm. This consulting firm, Black and Veatch of Kansas City, is a large regional engineering firm with many on-going projects. They review the proposed rates and return with their recommendation. This recommendation is binding, so the citizens of Lawrence must live with the wisdom of this K.C. Company.

Black and Veatch may understand the technical and engineering aspects of our gas company, but how well do they understand the impact of higher and higher prices on a citizenry unable to stay up with all these inflated prices? No doubt the owners of Kansas Public Service Co. will gain, but are the customers getting an equal say?

A forceful and enlightened city commission could take a great lead in helping Lawrence citizens conserve gas and save money. In a recent interview with a gas company official, this reporter was told that any conservation measures mandated by the city would be diligently pursued by the gas company. Out of the discussion came a few suggestions:

*Home insulation--all new homes should meet minimum standard before a gas hook-up is allowed. For existing rental units, insulation codes should be written into the Housing Occupancy Code. For those landlords unable to afford such improvements, the city should make available low interest loans or work with the gas co. to have the bill paid over an extended period. Space heating and cooling represent the greatest use of energy in the home thus good insulation promises the greatest savings immediately.

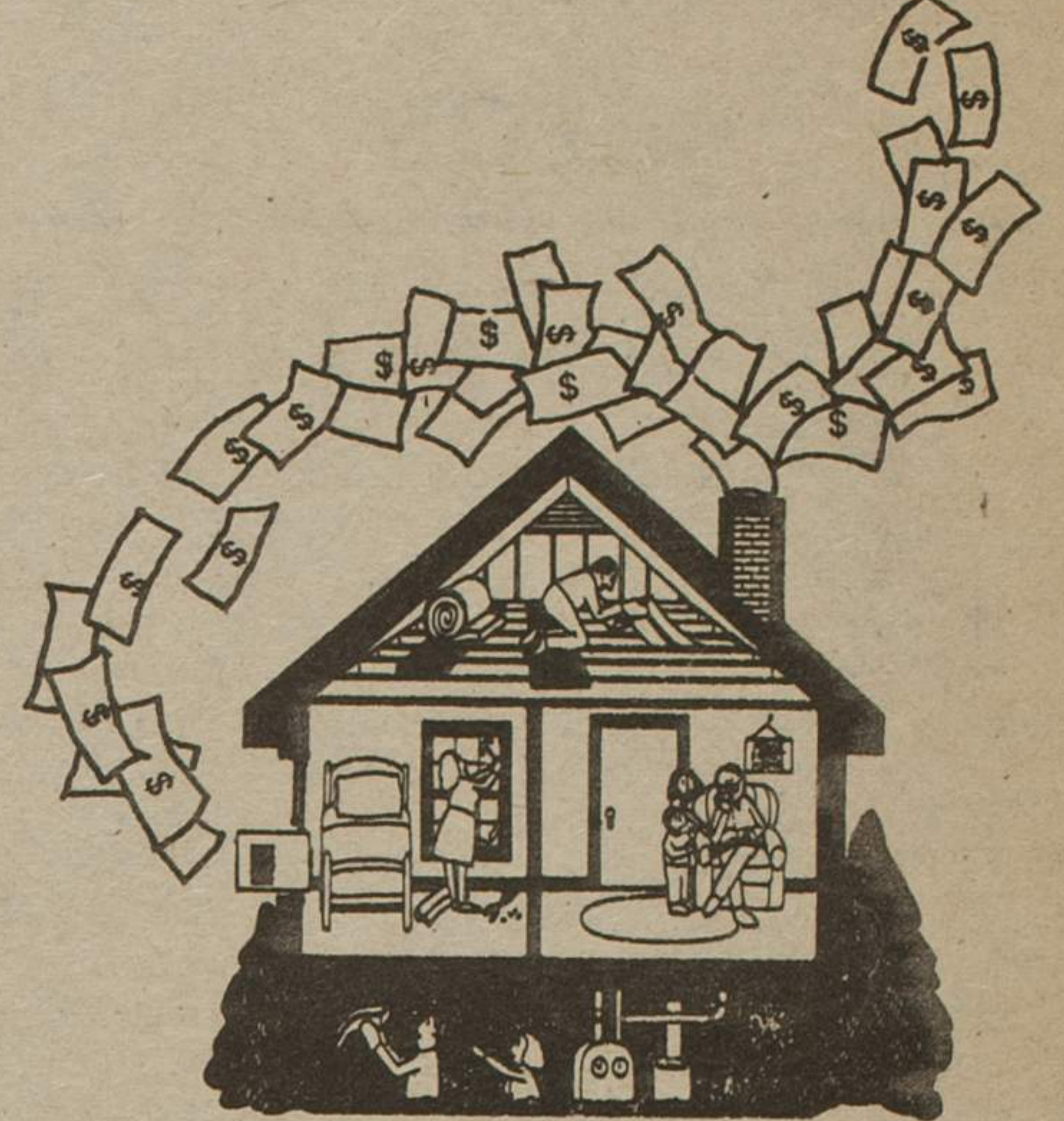
*The city and gas company should commission aerial infrared photography. It would measure heat loss and could help locate the worst buildings. A priority system could be established so the worst houses could be helped first. As gas prices skyrocket, such help would be welcomed.

*Installation of electronic ignitions on all gas stoves, water heaters, and furnaces, in order for the pilot light to remain off. It's estimated that 1/4 to 1/3 of your cooking gas is wasted on the pilot light.

*Installation of automatic flues so the flue is closed when your furnace is not operating.

This represents a start in helping customers to conserve gas. Since the city commission has only used the firm Black and Veatch for rate hike reviews, it's time to try some other firm that may have a stronger consumer and conservation orientation. A new firm that would have staff engineers who

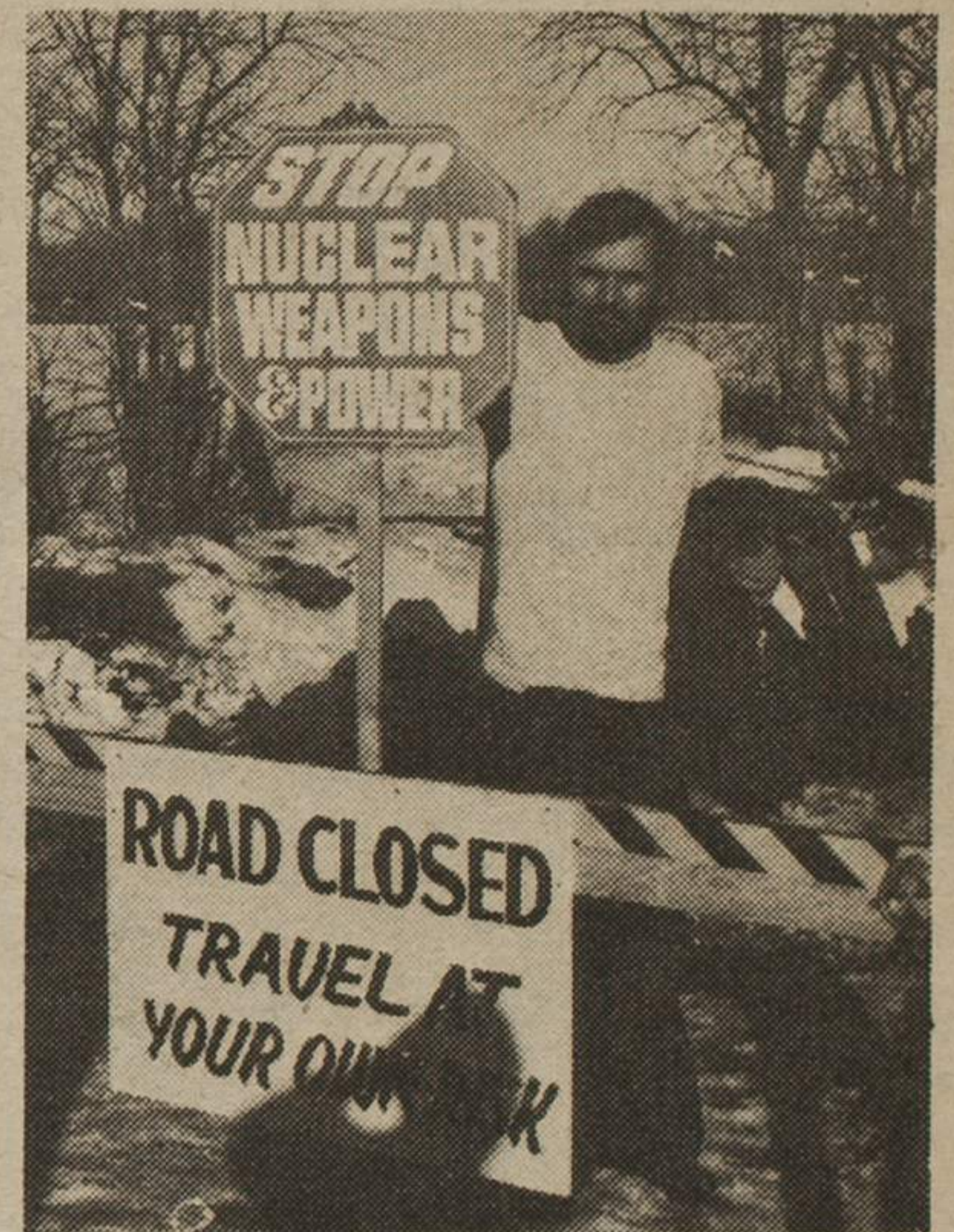
would help the city draft more energy conscious building codes.



A new firm that would take more interest in seeing that insulation programs get as much attention as other parts of the Gas Co. operations.

The avenues for energy conservation are unlimited if the city finds an engineering firm to re-evaluate the gas rates and insulation program in light of a dwindling resource. Indeed, your vote on a city commission candidate and form of government will show up on your gas bill. Evaluate carefully!

NEXT MONTH:



A complete update on the nuclear reactor situation in Burlington.

UTILITIES (cont.)

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means it will be studied over the summer for possible action next year.

After the vote, the meeting broke up and the committee members filed out. The utility lobbyists shook hands with some of them, giving them a hearty smile and "Thanks."

One Committee member was heard telling one lobbyist, "Well, that's the best we could do for you."



A representative of KPL told Committee Chairman Mainey, with more than a little swagger and a hint of menace, "Don't try to have the bill brought up again; we've got 15 votes lined up against it." A couple of the members of the committee later stated that they had been confused by the welter of motions; that when they voted to refer the bill to interim study, they thought they were voting favorably, on the bill. So it goes. The CWIP bill never made it past goal one.

And there you have it, sports fans: Sharks, er... Whales--2; Pygmies--still out in the cold.

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