

People's Energy Project

POWER FOR PEOPLE, NOT PROFIT!

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LEGISLATURE POOPS OUT

By Dayn Lelan

Well, the last dog has been hung for the '77 Kansas legislature. And gas is still being sucked, will-nilly and untaxed from Kansas ground; utility bills continue to sky-rocket; the ground is being cleared for a billion-dollar boondoggle of a nuclear plant at Wolf Creek; and Walter Cronkite said the other night that the Mid-East's oil reserves will run out by 1981, possibly touching off an oil war.

So this may be a good time to ask: what did our state representatives do about the energy crisis this year?

The answer is not a whole lot; but they seem to be gearing up to do something (whether good, bad, or indifferent remains to be seen).

Four major developments can be extrapolated from the actions (and inactions) of the '77 Legislature:

-Solar energy is finally beginning to get some of the encouragement it deserves.

-The Legislature is finally beginning to give conservation some of the homage it deserves, though that so far has been expressed more in lip-service and cosmetic reforms than in decisive action.

-The utilities once more have been able to stifle any legislation aimed at making them more efficient or responsive to their customers.

-Some kind of major energy legislation is likely to be passed next session. What form it takes will depend partly on the activities of the interim study energy committee. The chair of that committee, Donald Mainey (D-Topeka), said, "The vast majority of legislators are finally beginning to realize that something needs to be done (about the energy problem). I have a feeling that by next session we'll see some major action, particularly in the area of energy conservation."

The following are highlights of the actions and developments in specific areas.

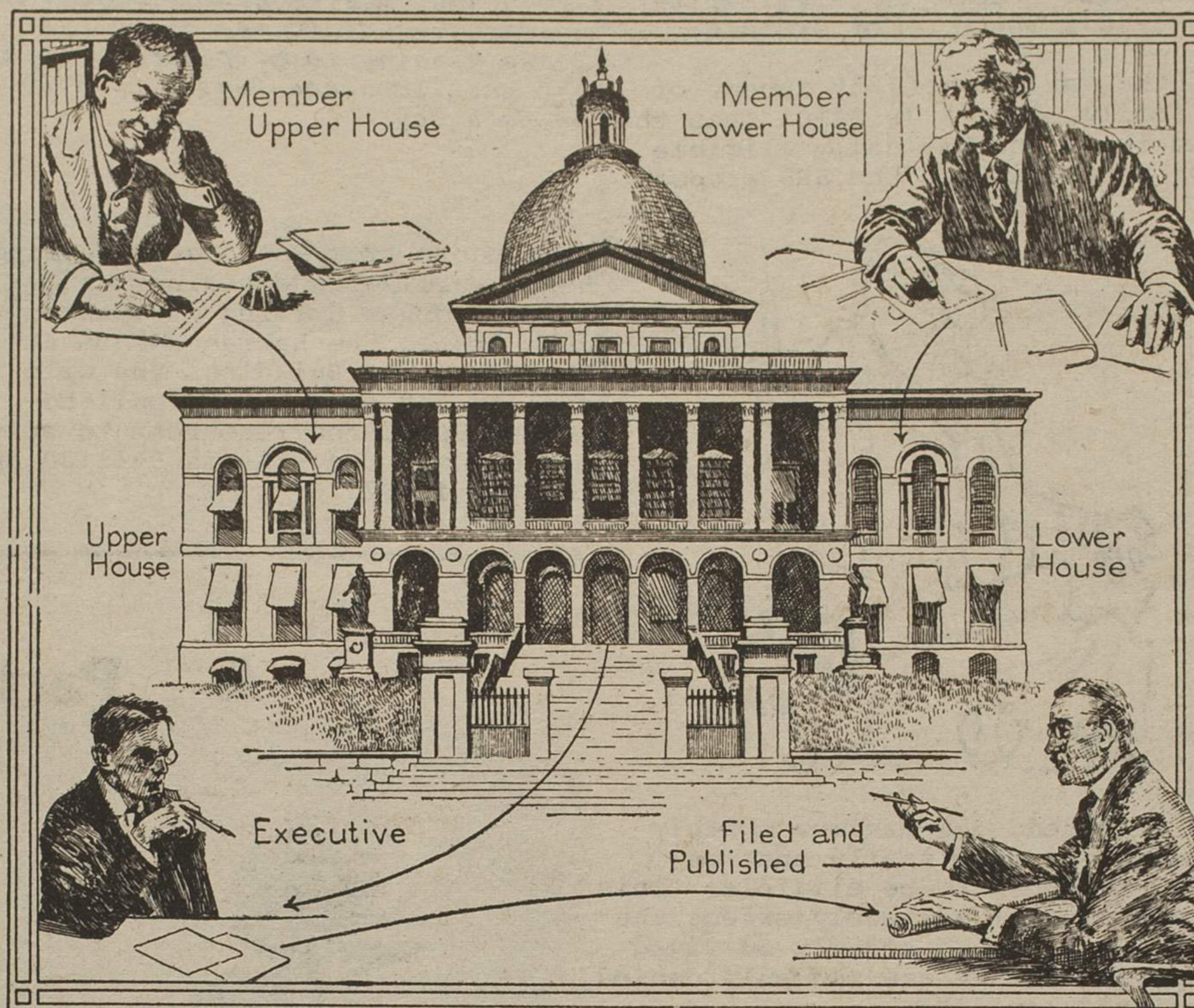
UTILITIES

More than 20 bills relating to public utilities were introduced this session. The utilities managed to knock off or sideline all but one of those that they opposed. Among the victims:

-Nuclear power accountability- A bill that would have given the Legislature authority to veto any future nuclear plants was killed on the house floor. Sen. Simpson (R-Salina) suggested that the Legislature still could do something to stop the Wolf Creek plant; his colleagues ignored him.



-Construction Work In Progress (CWIP)- Utilities are pushing for permission to charge for generating facilities before they go into ser-



vice. They vigorously fought a bill that would have forbidden this. The bill, sponsored by Ruth Luzzatti (D-Wichita) never made it out of committee.

Some seven bills were introduced that would have limited charges on late utility payments and/or required interest to be paid on security deposits. Almost all of these got stuck in the Senate Transportation and Utilities committee, chaired by Robert V. Talkington (R-Iola). (Indeed, this committee is a veritable boneyard of consumer-oriented utility legislation.)

Elwaine Pomeroy (R-Topeka) did, however, manage to end-run this committee by tacking an amendment onto a bill that had already passed the house. Pomeroy's amendment would have limited late-payment interest charges to 2 per cent, and only after thirty days' delinquency.

The amendment squeezed by the Senate, but the house failed to concur.

Pomeroy, who has introduced this legislation several years running, was a good sport about it: "At least they gave me a hearing this year - they always ignored it in the past." Thank God for small favors.

-Rate reform- A bill introduced by Sen. Arnold Berman (D-Lawrence) would have prevented utilities from paying for lobbying and advertising expenses with rate-payers' money. The bill would also have forbidden utility executives from receiving salaries in excess of the governor's. Needless to say, the utility lobbyists were not really excited about this one. It sat out the session bottled up in the purgatory of the Senate Transportation and Utilities committee.

Said Berman: "The Legislature did very little in the way of utility reform this session because the utility lobbyists are extremely powerful. They are powerful because, among other things, there are so many of them (more than 20 utility lobbyists are registered with the secretary of state-Ed.), and because they contribute to a lot of people's campaigns. If they

see a bill they don't like, they go to their people and say, 'Kill it.'"

The only bill opposed by the investor-owned utilities that made it through both houses was one pushed by municipal utilities. It gives munies the authority to band together for the joint financing of large generating facilities. The investor utilities would rather see the munies buy the power from them than build their own plants. While on the subject of rate reform, we should note that the interim energy committee will be studying various rate reform alternatives this summer and fall.

SOLAR

Groups such as P.E.P. can take some satisfaction that the solar alternative they've been pushing for several years is finally being taken seriously by the Legislature, which passed three bills encouraging solar energy:

-Solar property tax credit- Provides that any new building or addition that receives 70 percent of its cooling or heating from solar energy shall receive a 35 percent reduction of the property tax paid on that building or addition.

-A solar easements act.

-A resolution encouraging a feasibility study of solar systems in new state office buildings.



Although the above is commendable, the Legislature has still done nothing to make it easier for low-income or renting families to raise the money to install solar systems.

CONSERVATION

-The state Energy Office unveiled its state energy plan. The goal is to cut back the projected 1980 energy usage by 5 percent (since energy consumption was projected

to increase 7 percent annually, it would still increase overall). This is a pretty timid goal; in fact, it's the bare minimum needed to qualify for federal money.

-Corporation Commission study (HB 5031)- A resolution, sponsored by Rep. Robert Miller (R-Wellington), directs the Kansas Corporation Commission (KCC) to study the feasibility of various conservation measures, including:

- "Conservation gas," that is, considering conservation through home insulation, as a means of extending the gas supply, and allowing gas companies to finance home insulation on a profit-making basis;
- Using the same approach, allowing utilities to make a profit from the installation, or financing of solar systems.
- Various rate reforms, such as peak-load and time-of-day pricing, and increased per-unit rates for larger users. The Corporation Commission is to report its findings to the 1978 session of the Legislature.

INTERIM-STUDY

Many of the above matters were referred to interim study. The Legislature is a slow-moving, deliberative body. It could be next session before some kind of definite decision is made as to where the state is going to come down on some of these issues. The lawmakers obviously have to do something if they don't want to look like deserters in our President's "moral equivalent of war."



The work of the interim energy committee could have a lot to do with the eventual form legislative action takes. The matters the committee has been given to study include:

- Construction Work in Progress- A study of whether funds spent for the construction of a utility plant should be included in the rate base of the utility before it is placed in service.
- Energy conservation- Review of the state energy conservation plan various means of providing capital to assist the public in investing in energy conservation and alternative energy systems, etc.
- Rate-making principles and rate structures- A study of rate-making principles and alternative rate structures adopted in other states.
- Also- Energy research and production; municipal utility rates and state jurisdiction; and the wheeling of electrical power. (Remember, these policies are only to be studied; none have been endorsed yet.)

It will be worthwhile to keep an eye on the nine men appointed to the Legislature's interim study committee. With them lies the opportunity to initiate measures strong enough to rein in the state's fossil hogs and energy monsters.

(Cont. on page 19.)