People's Energy Project
POWER FOR PEOPLE, NOT PROFIT!
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KPL RESPONDS TO PUBLIC PRESSURE

By the PEP staff

The Kansas Power and Light Company (KPL) has recently requested permission from the Kansas Corporation Commission (KCC) to halt funding of the Clinch River Liquid Metal Fast Breeder Nuclear Reactor in Tennessee.

KPL in the past has made yearly allocations of nearly $100,000 to the project. This figure amounts to 20% of the entire KPL research and development fund. Thus, in the future, these funds hopefully will be directed toward more constructive research projects.

The Clinch River Reactor has long been touted as the ultimate in nuclear power. Its major feature is the ability to create more fuel than it consumes. To do this, however, it must operate at very high speeds and very hot temperatures. Therein lies the major problems. (A similar reactor partially melted down near Detroit several years ago).

The Clinch River Reactor has cost more, in terms of money, than any other single energy project in history. It began as an $800 million venture, but quickly skyrocketed to over $2 billion. The cost promises to continue rising. Most of the project funding is supplied by the federal government and various privately owned electric utilities across the country.

Granite State/cpf

The people of Kansas should look upon KPL's move to withdraw funding as a victory. The action was motivated in part by anti-nuclear public pressure exerted upon the utility. KPL has announced they will spend the Clinch River money on three Kansas research projects. One involves the use of fly ash (a byproduct of coal-burning plants) in the manufacturing of utility poles. Another focuses upon the use of fly ash as a fertilizer. A third concerns the use of old salt mines as storage area for compressed air. This would enable wind power to be captured and stored for usage during non-windy periods.

THE J-W SPEAKS OUT!

Utilities need watching

Although the country has far too much wasteful bureaucracy, manned by tax-paid employes who want to hold on to their jobs for dear life, the populace is in great need of those bureaucracies which control rates charged by large utility companies. The utilities are the firms which have monopolistic sales rights on electricity, gas and telephone communications and who give every indication that they would double or triple rates just as long as they thought they could get by with it.

Most business endeavors in America are governed by competition. When charges get too high, the competition gets the business or, some new firm will move in to get a share of the public's spending.

» **WITH UTILITIES,** giant firms are given licensed monopolies which eliminate all competition. If you want electricity, natural gas or telephone service, you buy from them or you go without, due to franchise rights granted by municipalities or other regional governmental agencies.

» Currently, most utility firms are making larger profits than ever before. The net profits have reached new peaks, but many of the companies have used a smoke-screen to emphasize that earnings per share are slightly less. What it means is that the huge firms have issued more shares of stock to raise money to build new plants, instead of borrowing from banks or issuing debentures.

» The fact is, profits are at a record high. The telephone company in the last quarter had the highest net profit ever made by any U.S. company in a three-month period. The electric company serving this community has had soaring profits but currently the officers are seeking even higher rates. Obviously they want present customers to pay the costs of huge expansion projects, some of which perhaps are not needed.

IT IS ECONOMICALLY frightening to think what the cost of telephone, electricity and gas services would be today without the state "bureaucracies" which sit in judgment when utility moguls get the urge to take advantage of their monopolistic advantages.

Grants of monopoly operations serve to the advantage of the consuming public in many ways with improved service, but they also need to be watched carefully to avoid allowing utility executives to squeeze every possible dollar out of the public which pays all the bills.

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We disagree with many of the basic assumptions behind this editorial. We especially take issue with the idea that monopolies are found only in the utility industry. In addition, we think utility prices are already frightening, in spite of those KCC commissioners who "sit in judgment." But, we chose to print this piece anyway because it contains much that we heartily agree with. (Are you listening, utility moguls? The Journal-World is your paper, you know.)

PEP'S JIM MASON TESTIFIES AT THE RECENT KPL RATE HEARINGS IN TOPEKA.

KPL DISTORTS GROWTH PICTURE

By Paul Johnson

The public is irritated. Everybody wants a rate increase--the phone company, the bus systems, and of course our friendly local electric utility. Thus, it was no surprise when the Kansas Power and Light Company (KPL) recently appeared before the Kansas Corporation Commission (KCC) to present their request for a $14.4 million increase in electricity rates.

The Capital Area Welfare Rights Organization, represented by Topeka Legal Aid, and the United States Army were also present. These groups attempted to convince the KCC that another rate hike was unnecessary. They were joined in their efforts by several KPL consumers from Topeka and Lawrence, including members of the People's Energy Project.

The issues presented by KPL were rather complex. Simply put, KPL attempted to establish that there was a rapidly increasing demand for electricity by consumers. KPL explained that, in order to comply with the people's needs, they were forced to construct new power plants. This, they tell us, requires great sums of money, available only through outside investors (banks, insurance companies, the Rockefellers, etc.)

KPL completed their argument with a request for $14.4 million. This sum was to be expended in the form of larger divident payments to their stockholders. The way KPL figures it, greater profits will attract those desperately needed investors from Wall Street.

The public witnesses took issue with several of KPL's key points, including their perception of an increasing demand for electricity. KPL based their growth assumptions on an historical tend of 7% growth per year.

This, in fact, was the case until 1973. But, the sudden and dramatic increases in fuel prices that year caused the demand for electricity to level off. Today, the demand is running well below industry's 7% estimate. A recent study commissioned by KPL, and introduced by the public into evidence, actually showed that KPL was overestimating the demand for electricity.

Why was KPL attempting to persuade the KCC that there was a need for new power plants and more electricity if they knew that in fact there really was not as great a need? Very simply, it is because the KCC regulates KPL's profits according to the amount of plants they operate. The more plants KPL builds, the more profits they are allowed to recover.

The public witnesses also pointed out that the demand for electricity was flexible. Creative reform of present day rate structures could cut back demand and result in more efficient usage of the KPL plants which already exist. The real strain on existing plants occurs only on those few hot summer days when everyone runs their air conditioners at full speed. KPL could cut down power needs on those few days by instituting a peak load system of pricing electricity. During times of peak demand, KPL should raise prices; during times of low demand they should lower them. The result would be a slackening of non-essential energy usage during peak demand periods. Then, KPL could not argue that they need to build new plants to meet the public's needs on a few hot days in July.

The public intervenors also stated that KPL could reduce demand by establishing better customer insulation programs. This could cut back on cooling needs in the summer, as well as heating needs in the winter. In addition, if KPL actively publicized peak load problems through the hot summer months, consumers would respond by cutting back on usage. This was shown by the public's positive response during the recent natural gas shortage in northeast Kansas.

As the hearings ended after seven long sessions, one point was clear to most observers. Conservation measures are not readily acceptable to KPL. Growth is preferable to the utility's stockholders because it means more money and thus more profit. Each time a giant new powerplant is added to the system, the owners rake in substantially more revenue. The KPL customers have much different concerns and as energy prices continue to skyrocket, these differences grow clearer. The real solution lies in making the KPL customers the KPL owners. Only then would conservation have a chance to become the order of the day.

Did You Know?

- The average American produces 3.2 pounds of trash per day.
- A small water leak which would fill a coffee cup in 10 minutes wastes 3,280 gallons of water in a year.
- If you leave a 60 watt bulb burning for 1 year you would cost the earth approximately 600 lbs. of coal and spend about $15.
- By the time food reaches the table, it is estimated that 9 calories of energy resources have been invested for each calorie in the food itself.