

TO: Senator Dole
FR: Kerry

RE: American Public Power Association
June 15, 1992

*You will be speaking to approximately 1,300 delegates to the annual convention of the American Public Power Association.

*A list of Kansans attending is attached.

*Whit has reviewed and approved energy-related material.

*You are the first speaker of the opening program, and will be followed by Secretary Watkins, and ABC reporter Brit Hume.

JUN 10 '92 16:29 A.P.P.A. WASH DC

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Wednesday, June 10, 1992

1992 Annual Conference

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Name	Title	Organization	City	St/Prv
Ronald Arnold	City Manager	City of Larned	Larned	KS
• Sharon Arnold			Larned	KS
Carol Burch	City Clerk	Mulvane Municipal Light & Water Dept.	Mulvane	KS
Clarence DeGraeve	Board President	Board of Public Utilities	Kansas City	KS
• Elna DeGraeve			Kansas City	KS
Richard Doran	City Manager	City of Garnett	Garnett	KS
• Diane Doran			Garnett	KS
Terry Drake	General Manager	Kansas City Board of Public Utilities	Kansas City	KS
Donald German	City Superintendent	City of Ashland	Ashland	KS
• Barbara German			Ashland	KS
Gilbert Hanson	General Manager	Kansas Municipal Energy Agency	Mission	KS
Muriel Hanson		Kansas Municipal Energy Agency	Mission	KS
Robert Milan	Board Member	Board of Public Utilities	Kansas City	KS
• Ella Marie Grant			Kansas City	KS
Gary Rambo	Superintendent	Mulvane Municipal Light & Water Dept.	Mulvane	KS
• Karen Rambo			Mulvane	KS
Louis Stroup	Executive Director	Kansas Municipal Utilities	McPherson	KS
Hugh Taylor	Manager, Rates & Regulations	Kansas City Board of Public Utilities	Kansas City	KS
Robert Walker	City Manager	City of Chanute	Chanute	KS
FRITZ ZIEGLER	Council Member	City of Larned	Larned	KS
• Amy Zielke			Larned	KS
Total:	21			

KANSAS ATTENDING CONFERENCE

SPEAK



Monday - June 15

Sheraton Hotel - Wash. D.C.

American Public Power Association

2301 M Street, N.W.

Washington, D.C. 20037-1484

202/467-2900

btw 9:00 - 10:00 a.m.

February 11, 1992

The Honorable Bob Dole
United States Senate
SH-141 Hart Senate Office Building
Washington, D.C. 20510-1601

Dear Senator Dole:

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I invite you to address delegates to the American Public Power Association's 1992 Annual Conference on the morning of June 15 at the Sheraton Hotel in Washington, D.C.

Approximately 2,400 representatives of local public power systems from all over the United States are expected to attend this meeting.

As you know full well, this is a national election year. APPA's Annual Conference will give you an opportunity to lay out your views on energy, economic, and environmental issues in a national forum with ample opportunity for publicity through the Washington press corps.

You have deep personal knowledge of public power because of your representation of the State of Kansas, your contacts with Louis Stroup and other public power people in your state, and your exposure to public power issues in the Senate. I know that APPA members would greatly benefit from your discussion of public policy questions affecting electric utilities because of that knowledge and because of your experience with and insight into the political process. As Minority Leader in the Senate, your views have special weight and substance.

Many public power systems are small; 87 percent serve less than 10,000 customers. You have experience with the problems and the potential of smaller communities, and your views on how they address energy questions and how public policy should be shaped to take their needs into account would be most useful.

For these reasons, I believe it would be very appropriate for you to speak to APPA's 1992 Annual Conference. If there are questions about the meeting, please let me know. Meanwhile, I look forward to hearing that you can be with us on June 15.

Sincerely,

Bob Nelson
Bob Nelson
President

contact: Jeff Tarbert
467-2936

BN:adh

2-21-92 Interim ltr.



recycled paper

MEMORANDUM

TO: SENATOR DOLE
FR: GREG SCHNACKE
DA: JUNE 11, 1992
RE: AMERICAN PUBLIC POWER SPEECH

ATTACHED IS A LIST OF KANSANS WHO WILL BE IN THE AUDIENCE FOR THE SPEECH. IN THE INTRODUCTION, I AM TOLD YOU WILL BE COMPLEMENTED ON YOUR AMENDMENT TO THE CLEAN AIR ACT THAT REQUIRES THE FEDERAL GOVERNMENT TO CONSIDER THE IMPACT OF PROPOSED REGULATIONS ON SMALL COMMUNITIES.

THE BIG ISSUE WITH APPA IS MANDATED TRANSMISSION ACCESS, I.E., MAKING SURE THAT IF THE NATIONAL ENERGY STRATEGY IS GOING TO ALLOW NEW ENTRANTS INTO POWER PRODUCTION (SO-CALLED INDEPENDENT POWER PRODUCERS - IPP'S) THEN THEY WANT TO MAKE SURE THEY HAVE ACCESS TO UTILITY TRANSMISSION LINES. THIS WAY KANSAS MUNICIPAL UTILITIES CAN HAVE ACCESS TO DIFFERENT POWER SOURCES IN WHAT THEY FEEL IS A COMPETITIVE WAY.

THE BIG UTILITIES ARE AGAINST OPEN-ENDED, MANDATED TRANSMISSION ACCESS BECAUSE IT IS A THREAT TO THEIR LOAD IF A SMALL IPP STARTS UP, FINANCED IN A HIGHLY LEVERAGED WAY, OFFERS CUT-RATE POWER RATES TO SAY, BOEING, AND TAKES SIGNIFICANT CHUNKS OF LOAD AWAY FROM THE LOCAL UTILITY COMPANY THUS MAKING IT DIFFICULT TO HOLD DOWN RATES TO THE CUSTOMERS THEY KEEP. IT IS ALSO FEARED THAT SOME IPP'S MAY START UP WITH THE INTENTION ONLY OF RAIDING MARKET SHARE FOR LOCAL UTILITIES AND THEN SELLING THEMSELVES BACK IN TO THE LOCAL UTILITY NETWORK AT A BIG PROFIT FOR THE IPP AND A HUGE DEBT FOR THE UTILITY, FURTHER INCREASING THE PRESSURE TO RAISE RATES FOR CUSTOMERS.

RESOLVING THE SITUATION WILL BE A MAJOR CONFERENCE ITEM.

SENATOR BOB DOLE
AMERICAN PUBLIC POWER
ASSOCIATION
JUNE 15, 1992

***THANK YOU. IT'S A
PLEASURE TO BE HERE, AND TO
WELCOME YOU TO
WASHINGTON.**

***I'M ESPECIALLY GLAD TO
SEE A FEW OF MY FRIENDS**

**FROM KANSAS IN THE
AUDIENCE, INCLUDING LOUIS
STROUP, WITH KANSAS
MUNICIPAL UTILITIES IN
MCPHERSON...AND A FEW
OTHERS FROM AROUND KANSAS
WHO HAVE BEEN IN THE POWER
BUSINESS FOR YEARS.**

***AND I KNOW THAT YOUR
EXECUTIVE DIRECTOR, LARRY**

**HOBART, WAS IN HUTHCINSON,
KANSAS, JUST TWO WEEKS AGO
TO SPEAK TO THE 63RD ANNUAL
CONFERENCE OF KANSAS
MUNICIPAL UTILITIES.**

***THERE ARE 123 PUBLIC
POWER SYSTEMS IN KANSAS,
AND I AM PROUD TO HAVE BEEN
ASSOCIATED WITH PUBLIC
POWER PRODUCERS AND THEIR**

ISSUES THROUGHOUT MY TENURE IN WASHINGTON.

LOW COST POWER HAS BEEN
THE HALLMARK OF THE PUBLIC
POWER PRODUCERS, AND HAS
LED THE WAY FOR GROWTH AND
ECONOMIC DEVELOPMENT IN
SMALL COMMUNITIES AND
RURAL AREAS THROUGHOUT

KANSAS AND THE UNITED STATES.

***AS YOU MAY KNOW, THE
SENATE WILL SOON TAKE
ACTION ON NATIONAL ENERGY
STRATEGY LEGISLATION--
ALTHOUGH SOME WOULD SAY
THAT THE BILLS GOING
THROUGH CONGRESS AREN'T
MUCH OF A STRATEGY.**

***THERE IS, HOWEVER, QUITE
A BIT ON THE PLATE FOR THE
ELECTRIC UTILITY INDUSTRY AS
A WHOLE. I AM AWARE OF
MANY OF YOUR ISSUES THAT
YOU HAVE BEEN WORKING ON
DURING THE ENERGY DEBATE.**

***I KNOW SECRETARY
WATKINS IS NEXT ON THE
PROGRAM, AND I DON'T WANT**

**TO STEAL HIS THUNDER, SO LET
ME JUST A FEW WORDS ABOUT
THAT DEBATE.**

***WE WILL SOON BE
CONSIDERING HOUSE-PASSED
TAX PROVISIONS IN THE SENATE
FINANCE COMMITTEE RELATING
TO THE ENERGY BILL.**

***PROBABLY THE BIGGEST
ISSUE FOR THE PUBLIC POWER**

**INDUSTRY ARE PUBLIC UTILITY
HOLDING COMPANY ACT
AMENDMENTS--AMENDMENTS
THAT, IN THE VIEW OF SOME,
MAY FUNDAMENTALLY CHANGE
THE WAY THE UTILITY INDUSTRY
DOES BUSINESS.**

***AS ALL OF YOU KNOW, IN
1978, THE CONGRESS PASSED
THE PUBLIC UTILITY**

**REGULATORY POLICIES ACT
THAT STARTED THE INDUSTRY
DOWN A ROAD TOWARD
INCREASED COMPETITION AND
RESULTED IN THE EMERGENCE
OF COGENERATORS AND SMALL
POWER PRODUCERS.**

***IN THE CURRENT ENERGY
STRATEGY DEBATE,
PROPOSALS THAT WOULD**

**MANDATE THAT INDEPENDENT
POWER PRODUCERS AND
OTHER POWER PROVIDERS BE
GIVEN OPEN ACCESS TO
UTILITY-OWNED POWER
TRANSMISSION FACILITIES HAVE
GIVEN RISE TO A SPIRITED AND
FUNDAMENTAL DEBATE:
WHETHER THESE TYPES OF
CHANGES ARE INDEED**

COMPETITIVE AND FAIR TO ALL.

***THE CURRENT SENATE AND
HOUSE VERSIONS OF ENERGY
LEGISLATION ARE VERY
DIFFERENT IN THIS RESPECT.
THE SENATE VERSION AMENDS
P.U.C.H.A. WITHOUT MANDATED
TRANSMISSION ACCESS;
WHEREAS THE HOUSE VERSION
CLARIFIES F.E.R.C.'S AUTHORITY**

**TO ORDER TRANSMISSION
ACCESS. CLEARLY, THIS ISSUE
WILL BE A BIG ONE FOR THE
CONFERENCE.**

***OBVIOUSLY THERE IS GOING
TO BE SOME LEVEL OF
REGULATION THAT MUST
ADDRESS THE FUNDAMENTAL
FAIRNESS ISSUE. IT IS
IMPORTANT THAT WE TRACK**

**THIS ISSUE CLOSELY AND
CAREFULLY TO ENSURE THAT
SMALL PRODUCERS ARE NOT
OVERWHELMED IN A
DEREGULATED ENVIRONMENT.**

.....

***THE CHANCES OF
CONGRESS PASSING ENERGY
LEGISLATION--AND, IN FACT, ANY
LEGISLATION--ARE LESSENERED BY**

**THE FACT THAT THIS IS AN
ELECTION YEAR.**

**THAT'S A FACT THAT NO
AMERICAN CAN ESCAPE IF
THEIR TELEVISION IS ON. YOU
NEVER KNOW WHERE THE
CANDIDATES WILL TURN UP.
ROSS PEROT WAS ON THE
TODAY SHOW FOR TWO HOURS
LAST WEEK...BILL CLINTON WAS**

**ON CBS MORNING NEWS FOR
TWO HOURS THIS MORNING,
AND HE PLAYED THE
SAXOPHONE ON THE ARNSENIO
HALL SHOW A WHILE BACK.**

**IN THIS ATMOSPHERE, ABOUT
THE ONLY GUARANTEE YOU CAN
MAKE IS THAT DAN QUAYLE
WON'T BE GOING ON "MURPHY
BROWN" ANYTIME SOON.**

***NO MATTER WHO IS
ELECTED PRESIDENT, THE
NUMBER ONE PROBLEM THAT
WILL GOVERN EVERYTHING THEY
DO IS THE BUDGET DEFICIT.**

***IMAGINE ALL THE GREAT
THINGS WE COULD DO...ALL THE
WORTHWHILE PROGRAMS WE
COULD TRY FOR URBAN AND
RURAL AMERICA...IF WE HAD**

THE MONEY TO PAY FOR THEM.

***BY THE END OF THIS YEAR,
THE NATIONAL DEBT WILL
EXCEED \$4 TRILLION DOLLARS--
THAT'S RIGHT--\$4 TRILLION.**

***FOR THAT MUCH MONEY, WE
COULD BUY AN AVERAGE SIZE
IN-GROUND CONCRETE
SWIMMING POOL FOR EVERY
HOMEOWNER IN AMERICA...PAY**

**A 40-HOUR WEEK MINIMUM
WAGE PAYCHECK TO EVERY
PERSON IN THE WORLD...PAY A
YEAR OF TUITION TO HARVARD
FOR EVERY PERSON UNDER 18
IN THE U.S....AND SEND EVERY
PERSON IN THE COUNTRY OVER
THE AGE OF 18 ON A TWO-WEEK
CLUB MED VACATION...WE
COULD DO ALL OF THOSE**

**THINGS--AND STILL HAVE \$3
TRILLION LEFT OVER.**

***FOR THE PAST FEW WEEKS,
ALL THE DISCUSSION IN
CONGRESS HAS BEEN ABOUT
THE BALANCED BUDGET
AMENDMENT.**

***THE VOTE ON BALANCED
BUDGET AMENDMENT WAS VERY
CLOSE. ONLY 9 VOTES SHORT**

**OF THE 2/3RDS NEEDED FOR
APPROVAL.**

***THE AMENDMENT WOULD
HAVE BEEN APPROVED IF
TWELVE DEMOCRAT
COSPONSORS OF THE
BALANCED BUDGET BILL HAD
NOT VOTED AGAINST FINAL
PASSAGE.**

***IT'S REGRETTABLE THAT THE**

**DEMOCRAT LEADERSHIP WAGED
AN ALL-OUT ASSAULT ON A BILL
THAT AN OVERWHELMING
MAJORITY OF AMERICANS WANT
TO SEE MADE A PART OF THEIR
CONSTITUTION.**

***AN UNHOLY ALLIANCE OF
LABOR UNIONS AND THE
CHAMBER OF COMMERCE DID
THEIR PART TO DEFEAT THE**

**AMENDMENT. SPECIAL
INTEREST GROUPS BOMBARDED
OUR OFFICES WITH LETTERS
WARNING US THAT A BALANCED
BUDGET AMENDMENT MIGHT
ACTUALLY FORCE CONGRESS
TO CUT SPENDING.**

***IN FACT, THE ONLY PEOPLE I
DID NOT HEAR FROM IS THE
GROUP WHO IS GOING TO GET**

**STUCK WITH OUR 4 TRILLION
DOLLAR DEBT -- OUR CHILDREN
AND OUR GRANDCHILDREN.**

***WELL, I WOULD LIKE TO GIVE
THE 12 VOTE-SWITCHERS A
CHANCE TO RECONSIDER. I
THINK WE SHOULD HAVE A VOTE
IN THE SENATE ON THE
BALANCED BUDGET
AMENDMENT AND SEND IT BACK**

**TO THE HOUSE. WE SHOULDN'T
HAVE TO WAIT FOR A NEW
CONGRESS TO GET SERIOUS
ABOUT OUR NATION'S BUDGET
CRISIS.**

***IN CLOSING, I DO WANT TO
TAKE A MINUTE TO TALK ABOUT
SOMEONE ELSE WHO WILL BE
VISITING WASHINGTON THIS
WEEK...AND THAT'S BORIS**

YELTSIN.

***A LITTLE LATER IN THE
WEEK, PRESIDENT YELTSIN WILL
JOIN ME FOR A VISIT TO
KANSAS.**

***PRESIDENT YELTSIN'S VISIT
IS AN IMPORTANT ONE. HE
NEEDS TO SEE THE REAL
AMERICA, TO TRULY
UNDERSTAND WHAT MAKES**

**AMERICA THE GREAT NATION IT
IS; TO TRULY APPRECIATE WHY
FREEDOM AND FREE MARKETS
ARE THE ONLY WAY FOR HIS
NATION TO REBUILD FROM THE
RUINS OF 75 YEARS OF
COMMUNISM MIS-RULE.**

***YELTSIN WANTS AND NEEDS
OUR HELP. IT WILL COST SOME
MONEY. AND SOME WILL SAY --**

**WHY SHOULD WE HELP? WHY
SHOULD WE SPEND MONEY TO
HELP RUSSIANS WHEN SO MANY
AMERICANS ARE IN NEED?**

***WELL, I DON'T SEE THIS AS A
GIVE-AWAY TO HELP SOME
FACELESS FOREIGNERS. I SEE
IT AS AN INVESTMENT IN
AMERICA'S OWN FUTURE.**

***IF DEMOCRACY FAILS IN THE
FORMER SOVIET UNION, WHO
KNOWS WHAT WILL HAPPEN?
WHO KNOWS WHO WILL TAKE
OVER THE RUSSIAN STATE, THE
RUSSIAN MILITARY, THE
RUSSIAN NUCLEAR AND MISSILE
ARSENAL? WHO KNOWS WHOSE
FINGER WILL BE ON THE
NUCLEAR BUTTON?**

***IF FREE MARKETS DIE
ABORNING, IT WILL NOT ONLY
BE THE RUSSIAN PEOPLE WHO
SUFFER. AMERICA, TOO, WILL
LOSE A VAST NEW MARKET FOR
OUR PRODUCTS -- ONE WHICH
ALREADY HAS A TREMENDOUS
IMPACT ON THE HEALTH OF THE
KANSAS FARM ECONOMY. WE**

**WILL LOSE A VAST NEW ARENA
FOR LUCRATIVE INVESTMENT.**

***THROWING MONEY AT THE
RUSSIANS WILL NOT SOLVE ANY
OF THEIR PROBLEMS. BUT WELL
THOUGHT OUT, WELL FOCUSED,
AND SENSIBLE PROGRAMS OF
CREDITS, CREDIT GUARANTEES,
TECHNICAL ASSISTANCE AND
FACILITATING PRIVATE SECTOR**

**INVESTMENT AND TRADE CAN
MAKE A REAL DIFFERENCE.**

***IT SEEMS TO ME THAT, IF WE
TURN OUR BACKS ON THE
RUSSIAN PEOPLE NOW, IT WILL
BE THE AMERICAN PEOPLE,
TOO, WHO WILL PAY THE PRICE
IN THE LONG RUN.**

***THANK YOU VERY MUCH FOR
INVITING ME HERE TODAY, AND**

**THANK YOU FOR THE SERVICES
YOU PROVIDE TO RURAL
AMERICANS.**