

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on February 6, 1997 in Room 514-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Mary Shaw, Committee Secretary

Conferees appearing before the committee: Larry Holloway, Chief of Electric Operations, Kansas Corporation Commission

Others attending: See attached list

Chairperson Myers mentioned that the Committee will be hearing **HB 2074**. Copies of some information requested of the Kansas Corporation Commission by Committee members in a previous Committee meeting was distributed. The information was regarding Slamming (Attachment#1) requested by Representative McClure and Kansas CLEC Information (Attachment#2) which is a list of those signed up at the Kansas Corporation Commission for residential telecommunication customers.

Hearing on HB 2074: Certain powers and duties of the State Corporation Commission; technical amendments recommended by Retail Wheeling Task Force

The Chair asked Mary Ann Torrence, Office of Revisor of Statutes, to brief the Committee on the **HB 2074**. The Revisor mentioned that it was a bill recommended by the Retail Wheeling Task Force, it came out of the subcommittee of the task force that was made up of non-legislative members, and they were requested to come up with any cleanup they thought was needed in the common carrier statutes. That is what the changes represent. Section 1 removes some archaic language from the definition of public utilities under Chapter 66. That language refers to trolley lines, street cars, and dining car companies because there are none of them in the state anymore. Section 2 deals with when a court reviews and overturns a commission order and requires the utility or common carrier to file a new proposed rate. In that case the words "or petitioner" are stricken in line 26 because it will be either public utility or common carrier. The Revisor made a comment that at the end of line 25 there is a comma that needs to be stricken and the word "or" inserted in its place. Section 3 is the section of the corporation commission statutes that prohibits making false records or the destruction of records. Lines 34 and 35 clarify that there is an exception under subsection (b) for destruction of records in accordance with Kansas Corporation Commission authorization. In Lines 8 and 9 on Page 3, there is language stricken that relates to interstate commerce commission which is no longer here. Section 4 defines "affiliated interest" for the purposes of the utility and common carrier statutes. The section stricken in line 12 has been transferred to another place in Chapter 66, however, the reference there should be 66-1401 rather than 1404. In Section 5 there is language referring to interstate commerce commission and on the last page a change in style with the way the Office of the Revisor states information (change from fraction to decimal) in Line 13.

Larry Holloway, Chief of Electric Operations for the Kansas Corporation Commission, testified as a proponent in support of the bill (Attachment #3).

A motion was made by Representative Sloan to clean up the language in HB 2074 as presented by the Revisor. The motion was seconded by Representative Johnson. Motion passed.

A motion was made by Representative Sloan that the Committee recommend HB 2074 as amended favorable for passage. Representative Samuelson seconded the motion. Motion passed.

Questions and discussion followed. The Chair asked Representative Burroughs to carry the bill and he accepted. Staff distributed copies of the Kansas Corporation Order of general investigation of energy efficiency building codes. Proponent testimony was heard on February 4, 1997 and opponent testimony will be heard February 11, 1997 regarding **HB 2140**. Copies of this order are on file at the Kansas Legislative Research Department.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 11, 1997.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 6, 1997

NAME	REPRESENTING
JEFF RUSSELL	SPRINT
Jack Graves	Opdy W N + P-7d
M. CHARRISSIMEAUX	Classic Communications
Don Miles	Kansas Electric Cooperatives
Steve J. Hein	Hein & Weir
J.C. LONG	UtiliCorp United, Inc.
Brenda Sank	Jonathan Small
Shirley Allen	JWB T
Tom Day	KCC
LARRY HOLLOWAY	KCC

Slamming

Slamming is the act of changing a person's or company's long distance or local carrier without that person's or company's approval. Slamming complaints comprise the Commission's largest single category of telecommunications complaints. The Federal Communications Commission listed slamming as its largest complaint generator through December 5, 1996.

In 1996, the Commission received 253 contacts about slamming. Of this number, 157 were actually slammed or probably were slammed. In 1995, the Commission received 277 contacts about slamming. Of this number, 150 were actually slammed or probably were slammed.

In 1994, the Commission received 60 slamming complaints. In 1993, the Commission received 48 slamming complaints. In 1992, the Commission received 36 slamming complaints.

Closely interrelated with slamming is deceptive marketing. The difference between slamming and deceptive marketing is that the customer agrees to change their carrier in the latter, but for a reason which proves to have been a deception. A prime example is promising one rate and delivering a higher rate. The Commission has kept track of deceptive advertising for only the last two years. Before that time, the numbers for deceptive marketing were included in the slamming numbers. In 1995, the Commission received 11 contacts regarding deceptive marketing. In 1996, the Commission received 68 contacts. These complaints are referred to the Attorney Generals' Office.

These might seem like relatively insignificant numbers out of approximately 1.4 million telephone customers in the state until you consider that these numbers are only those slamming complaints received by the Commission. The KCC Staff has no idea how many customers are slammed, but do not call the Commission. When the Commission has fined companies for slamming, it has assessed \$250 per slammed line (\$2,500 for a 10-line customer).

Kansas is one of the few states which assesses its own penalties for slamming. Most states refer slamming complaints to the Federal Communications Commission or do not handle them.

Slamming is a problem and, in the next round of enforcement actions, the Commission Staff will ask that slammers be fined \$1,000 per slammed line. The Consumer Protection Office is initiating new slamming procedures and will be dedicating part of one employee's time to slamming enforcement.

In 1995 and 1996, the Commission fined seven companies for slamming. The Commission has received few slamming complaints about these companies since the Commission initiated slamming proceedings against them.

House Utilities
2-6-97
Attachment 1

KS CLEC INFO

CLEC APPLICATIONS REVISED 1/31/1997	FILED/ APPROVED	REQUESTED AREA TO SERVE
RURAL TELEPHONE COMPANY 190,843-U	6/14/94 12/8/95	HILL CITY
KC FIBERNET 192,764-U	5/11/95 2/15/96	KANSAS PORTION OF 816 LATA
AT&T 194,295-U	2/29/96 5/21/96	SWBT & UNITED
SPRINT 194,730-U	6/5/96 8/7/96	SWBT & UNITED
BROOKS FIBER 97-BFCC-709-COC	6/27/96 11/22/96	SWBT & UNITED
U. S. L. D. 97-USLO-142-COC	9/5/96 12/31/96	SWBT
BUSINESS COMMUNICATION SERVICES 97-BCSC-187-COC	9/26/96 12/31/96	KANSAS
GE CAPITAL COMMUNICATIONS 97-GEEC-185-COC	9/30/96 1/23/97	SWBT & UNITED
VALUE LINE 97-VALT-258-COC	10/29/96 1/7/97	SWBT
KMC TELECOM 97-KMCT-257-COC	10/29/96 1/7/97	KANSAS
GCC LICENSE (WESTERN WIRELESS) 194,675-U	4/23/96	KANSAS
U. S. COMMUNICATIONS 194,713-U	5/20/96	KANSAS
EXCEL 194,743-U	6/21/96	SWBT
DIAL & SAVE 194,747-U	6/26/96	KANSAS

KS CLEC INFO

INTERMEDIA 97-IMCT-309-COC	11/22/96	KANSAS
FAST CONNECTIONS 97-FSCC-301-COC	11/15/96	KANSAS
MCIMETRO ACCESS TRANSMISSION SERVICES, INC. 97-MATT-383-COC	12/31/96	SWBT
FEIST LONG DISTANCE SERVICE, INC. 97-FLDT-402-COC	1/9/97	KANSAS
AMERICAN COMMUNICATION SERVICES OF KANSAS, INC. 97-ACKT-430-COC	1/24/97	KANSAS

KS CLEC INFO

INTERCONNECTION AGREEMENTS FILED	FILED/ APPROVED	ARBITRATION REQUESTED	APPLIED/ ORDER
USLD	9/9/96	SPRINT/SWBT	9/20/96
97-SWBT-144-IAT	12/9/96	97-SCCC-167-ARB	12/11/96
FAST CONNECTIONS	10/9/96	RURAL/ UNITED	9/25/96
97-SWBT-204-IAT	12/12/96	97-RRLT-179-ARB	1/23/97
TIE COMMUNICATIONS	11/12/96	AT&T/ SWBT	11/14/96
97-SWBT-288-IAT		97-ATT-290-ARB	
STERLING INTERNATIONAL	12/11/96		
D/B/A/ RECONEX			
97-SWBT-342-IAT			
INTERMEDIA	12/31/96		
COMMUNICATIONS, INC.			
97-SWBT-380-IAT			
RURAL	1/16/97		
97-RRLT-179-ARB			
VALU-LINE OF KANSAS, INC.	1/28/97		
97-SWBT-440-IAT			
PREFERRED CARRIER	1/28/97		
SERVICES, INC.			
97-SWBT-439-IAT			
SPRINT	1/29/97		
97-SCCC-167-ARB			

**BEFORE THE HOUSE UTILITIES COMMITTEE
PRESENTATION OF THE KANSAS CORPORATION COMMISSION ON HB 2074**

The Commission supports this bill. This bill represents revisions to chapter 66 statutes that are primarily cleanup items and represent no specific policy changes. The majority of these changes were recommended and approved by the retail wheeling task force last November. The Commission and the Commission legal staff reviewed these proposed changes when they were originally considered by the retail wheeling task force. Comments from the Commission were fully incorporated into the proposal as approved by the task force. Any differences between this bill and the proposal of the task force appear to be purely editorial. This bill incorporates the task force's proposal with 3 additional minor changes:

- 66-137 has been edited to divide it into section (a) and (b) for clarity.
- 66-137 has been edited to change "one thousand dollars" to "\$1,000" and "five thousand dollars" to "\$5,000".
- 66-1216 has been edited to add "and amendments thereto." to 66-1404 reference.

These changes appear inconsequential and the Commission supports the changes made by HB 2074.

*House Utilities
2-6-97
Attachment 3*