

Approved: Carl Dean Holmes
Date 3-9-99

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl Holmes at 9:06 a.m. on February 19, 1999 in Room 522-S of the Capitol.

All members were present except: Rep. Cliff Franklin

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jo Cook-Whitmore, Committee Secretary

Conferees appearing before the committee: Steve Rarrick, Deputy Attorney General
Rob Hodges, KTIA
Michael Byington, Envision
Eva Kurta, Kansas Association for the Blind &
Visually Impaired
Whitney Damron, Empire Electric
Kim Gulley, League of Kansas Municipalities
Caroline Williams, Western Resources

Others attending: See Attached List

Hearing on HB 2343 - Unauthorized change of consumer's telephone company or addition of unauthorized telephone service.

Mr. C. Steven Rarrick, Deputy Attorney General for the Consumer Protection Division of the Attorney General's office, testified in favor of **HB 2343** (Attachment 1)

Rob Hodges, President of the Kansas Telecommunications Industry Association, provided testimony in support of **HB 2343** (Attachment 2).

David Dittmore, speaking on behalf of the Kansas Corporation Commission staff, stated they were in support of the bill.

Conferees concluded testimony by responding to questions from the committee.

Chairman Holmes opened the floor for debate on **HB 2290 - Repeal of statutes relating to public utilities' loaning money, ledging credit & paying dividends.** Rep. Sloan moved that the bill be amended to repeal only K.S.A. 66-1213. Rep. O'Brien seconded the motion. Following discussion, motion carried. Rep. Sloan moved to report **HB 2290** favorable as amended. Rep. O'Brien seconded the motion. Motion carried. Rep. Margaret Long will carry the bill.

HB 2322 - Utility billings in different formats for visually impaired or blind person.

Michael Byington, Director of Governmental Affairs for Envision, presented testimony in favor of **HB 2322** (Attachment 3).

Eva Kurtz, representing the Kansas Association for the Blind and Visually Impaired, Inc., presented testimony in favor of **HB 2322** (Attachment 4).

Mary Adams, from the Topeka Association of the Visually Impaired for Service, provided written testimony as a proponent to **HB 2322** (Attachment 5).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 522-S Statehouse, at 9:06 a.m. on February 19, 1999.

Rob Hodges, President of the Kansas Telecommunications Industry Association, testified as a proponent to **HB 2322** (Attachment 6).

The next conferee testifying in favor of **HB 2322** was Whitney Damron, on behalf of the Empire District Electric Company (Attachment 7).

Ms. Caroline Williams, Senior Director of Customer Service for Western Resources, provided testimony in a neutral position on **HB 2322** (Attachment 8).

Kim Gulley, Assistant General Counsel for the League of Kansas Municipalities, testified as an opponent to **HB 2322** (Attachment 9).

Following testimony, conferees responded to questions from the committee.

Rep. Ward Loyd presented the Subcommittee on Natural Gas Storage report (Attachment 10). Rep. Loyd stated there was a bill in the Judiciary Committee with language regarding condemnation that may resolve some of the issues addressed. Rep. Klein presented the Minority Report from the subcommittee (Attachment 11). The report included a balloon outlining several possible changes. Comments from the committee were addressed.

Chairman Holmes asked the committee to indicate which bills they wanted to work next week. Those bills scheduled to be debated are: **HB 2045**, **HB 2047** or **HB 2271** or **HB 2400**, **HB 2246**, **HB 2247**, **HB 2322**, **HB 2343**, **HB 2399**, **HB 2495**, **HB 2496**, and **HB 2497**.

Also distributed to the committee were copies of a memorandum from Lynne Holt responding to a request by Rep. Kuether regarding **HB 2025** (Attachment 12). Rep. Alldritt also provided copies of a newspaper article about 'cramming' (Attachment 13).

Meeting adjourned at 10:44 a.m.

Next meeting is Monday, February 22 at 8:00 a.m.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 19, 1999

NAME	REPRESENTING
Whitney Damron	Empire District Electric Co.
Joe Dink	KCKBPU
Paul Holthaus	Western Resources
Caroline Williams	Western Resources
Diana Thurman	Western Resources
Bruce GRAHAM	KEPL
Jo Long	UCR
ED SCHAUB	WESTERN RESOURCES
Bob Andersen	ATMOS ENERGY CORPORATION
Doug Smith	SWKROA
Michael Byington	ENVISION
EVA KURTZ	Ns. Assn. Blind and Visually Impaired
Steve RARRICK	ATTORNEY GENERAL
Rob Hoegas	KTHH
Kim Gilley	LKMN

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: _____

NAME	REPRESENTING
John Pinezar	SITA
David Spryngel	CURB
Mike Recht	AT+T
Doug Lawrence	SWBT
Jon K Miles	XEC
3 from AG's office	



CARLA J. STOVALL
ATTORNEY GENERAL

State of Kansas

Office of the Attorney General
CONSUMER PROTECTION/ANTITRUST DIVISION

301 S.W. 10TH, LOWER LEVEL, TOPEKA 66612-1597
PHONE: (785) 296-3751 FAX: 291-3699 TTY: 291-3767

CONSUMER HOTLINE
1-800-432-2310

Testimony of
C. Steven Rarrick, Deputy Attorney General
Consumer Protection Division
Office of Attorney General Carla J. Stovall
Before the House Committee on Utilities
Re: HB 2343
February 19, 1999

Chairperson Holmes and Members of the Committee:

Thank you for the opportunity to appear before you today on behalf of Attorney General Carla J. Stovall to testify in support of House Bill 2343. My name is Steve Rarrick and I am the Deputy Attorney General for Consumer Protection.

HB 2343 seeks to amend K.S.A. 50-6,103, the statute enacted last year which prohibits slamming (the unauthorized switching of a consumer's local or long distance telephone service without a consumer's express authorization), to also prohibit cramming (adding unauthorized charges to a consumer's telephone bill). The practice of cramming by some unscrupulous telecommunications companies has continued over the past year, and the Attorney General and representatives of the telecommunications industry believe increased consumer protections are necessary to address this practice. In drafting the bill, our office worked closely with representatives of the telecommunications industry to ensure that the language of the bill addressed their concerns as well as ours.

Kansas citizens are being bombarded with telemarketing calls or other solicitations every day to convert their local or long distance service to another provider or to add telecommunications services such as voice mail, personal 800#'s and internet access, just to name a few. The only provision in the current law addressing cramming is the prohibition against the use of sweepstake/prize drop boxes to obtain authorizations for these services. After receiving many complaints from consumers who are being billed \$5.00 to \$50.00 on their telephone bill for services they never requested, the Attorney General is now seeking increased protections and penalties against crammers, similar to slammers, when the crammer has not obtained the express authorization of the consumer. The bill also includes those companies who bill for crammers when they knew or had reason to know the express authorization of the consumer had not been obtained.

In April, 1998, the Attorney General's Office began keeping statistics on consumer complaints regarding cramming. We consistently receive approximately 10 complaints on cramming

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 1

a month. In 1998, we received 121 cramming complaints. Consumers deny ordering these services, yet they are being billed on their telephone bills month after month at a cost as high as \$50.00 a month. Some consumers complain of being charged for internet access fees when they don't even own a computer.

Specifically, the amendments proposed would do the following:

- broadly define "supplemental telecommunications services" to include the type of items that are often crammed onto consumers' phone bills;
- prohibit adding any supplemental telecommunications services or billing or collecting for such services without the consumer's express authorization;
- prohibit deceptive, misleading or confusing conduct when soliciting a consumer to add any supplemental telecommunications services; and
- impose civil penalties of \$5,000 to \$20,000 against crammers or third party billers for cramming violations.

The proposed amendments also replaces the phrase "local exchange carrier or telecommunications carrier" with the term "supplier." This change would allow the Attorney General to pursue all entities involved in a cramming or slamming scheme, such as the companies demanding payment from consumers, whether or not such company was the initial crammer/slammer when such company knew or had reason to know the express authorization had not been obtained. The bill also exempts a consumer's current local or long distance carrier from the cramming provisions. These companies would still be liable for any deceptive acts and practices under general consumer protection provisions, and would certainly lose existing customers if they cram their customers with unauthorized services.

On a technical note, there is a grammatical error on page 2, line 10, of the bill, and that line should read "or the addition of any supplemental telecommunications services to a consumer's..." I have made that change in the balloon attached to my testimony.

On behalf of Attorney General Stovall, I urge your favorable consideration of House Bill 2343. I would be happy to answer any questions of the chair or the members. Thank you.

HOUSE BILL No. 2343

By Committee on Utilities

2-9

9 AN ACT concerning consumer protection; relating to telecommunica-
10 tions services; amending K.S.A. 1998 Supp. 50-6,103 and repealing the
11 existing section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 1998 Supp. 50-6,103 is hereby amended to read as
15 follows: 50-6,103. (a) As used in this section:

16 (1) "Express authorization" means an express, affirmative act by a
17 consumer clearly agreeing to ~~the~~ a change in the consumer's telecom-
18 munications carrier or local exchange carrier to another carrier *or the*
19 *addition of any supplemental telecommunications services to the con-*
20 *sumer's account.*

21 (2) "Supplemental telecommunication services" means any property
22 or services for which any charge or assessment appears on a billing state-
23 ment directed to a consumer by a local exchange carrier or telecommu-
24 nications carrier, including but not limited to personal 800 number serv-
25 ices, calling card plans, internet advertisement and website services, voice
26 mail services, paging services, psychic services, psychic memberships, dat-
27 ing services or memberships, travel club memberships, internet access
28 services and service maintenance plans. "Supplemental telecommunica-
29 tion services" does not include direct dial services to which a per use
30 charge applies.

31 ~~(2)~~ (3) "Telecommunications services" has the meaning provided by
32 K.S.A. 66-1,187 and amendments thereto.

33 (b) No local exchange carrier or telecommunications carrier shall sub-
34 mit to a local exchange carrier an order to change a consumer's telecom-
35 munications carrier or local exchange carrier to another carrier without
36 having obtained the express authorization of the consumer authorized to
37 make the change. The local exchange carrier or telecommunications car-
38 rier requesting the change shall have the burden of proving the express
39 authorization by a preponderance of the evidence. *It shall not be a vio-*
40 *lation of this subsection for a local exchange carrier to assign a consumer*
41 *to a telecommunications carrier for purposes of intralata services pursu-*
42 *ant to order of the state corporation commission.*

43 (c) No supplier, other than the consumer's existing local exchange

1-3

17-1

1 carrier or telecommunications carrier, shall:

2 (1) Add any supplemental telecommunications services to a con-
3 sumer's account without having obtained the express authorization of the
4 consumer authorized to make the addition and the supplier requesting
5 the addition shall have the burden of proving the express authorization
6 by a preponderance of the evidence; or

7 (2) directly or indirectly, bill, collect, attempt to bill or collect or cause
8 to be billed or collected, charges arising from a change in a consumer's
9 local exchange carrier or telecommunications carrier to another carrier
10 or ~~add~~ any supplemental telecommunications services to a consumer's
11 account when such supplier knew or had reason to know that the con-
12 sumer's express authorization for such change or addition was not ob-
13 tained.

add the addition of

14 ~~(e)~~ (d) No local exchange carrier, telecommunications carrier or third
15 party utilized to verify an order to change a consumer's telecommunica-
16 tions carrier or local exchange carrier to another carrier supplier shall:

17 (1) Engage in any activity, conduct or representation that has the
18 capacity to mislead, deceive or confuse the consumer, while soliciting or
19 verifying a change in a consumer's telecommunications carrier or local
20 exchange carrier to another carrier that has the capacity to mislead, de-
21 ceive or confuse the consumer or adding any supplemental telecommu-
22 nications services to a consumer's account;

23 (2) employ a box or container used to collect entries for sweepstakes,
24 contests or drawings to gather letters of agency or other documents that
25 constitute authorizations by consumers to change the consumers' tele-
26 communications carrier or local exchange carrier to another carrier or to
27 change or add to the consumers' ~~other~~ accounts any supplemental tele-
28 communications services; or

29 (3) use any methods not approved by statute, regulations of the fed-
30 eral communications commission statutes, rules and regulations or federal
31 trade commission (as in effect on the effective date of this act) or state
32 corporation commission rules and regulations to change a consumer's
33 telecommunications carrier or local exchange carrier to another carrier
34 or to add supplemental telecommunications services to a consumer's
35 account.

36 ~~(d)~~ (e) Any local exchange carrier or telecommunications carrier sup-
37 plier that violates subsection (b) or ~~(e)~~, (c) or (d) shall be subject to a civil
38 penalty of not less than \$5,000 nor more than \$20,000 for each such
39 violation instead of the penalty provided for in subsection (a) of K.S.A.
40 50-636, and amendments thereto.

41 ~~(e)~~ (f) Any violation of this section is a deceptive and unconscionable
42 act or practice under the provisions of the Kansas consumer protection
43 act and shall be subject to any and all of the enforcement provisions of



Legislative Testimony

Kansas Telecommunications Industry Association 700 SW Jackson St., Suite 704, Topeka, KS 66603-3758 V/TTY 785-234-0307 FAX 785-234-2304

Before the House Committee on Utilities

HB 2343

February 19, 1999

Mr. Chairman, members of the committee, I am Rob Hodges, President of the Kansas Telecommunications Industry Association. Our membership is made up of local telephone companies, long distance companies, wireless telecommunications companies, and firms and individuals that provide service to and support for the telecommunications industry in Kansas.

HB 2343 would make numerous changes in the Consumer Protection Act relating to telecommunications services and the practices commonly referred to as "cramming." We appear today in support of the bill.

During the first few days of the 1999 legislative session, KTIA members and representatives of other telecommunications companies met with members of the Attorney General's Consumer Protection Division staff. The result of those meetings is HB 2343. We sincerely appreciate the willingness of the Attorney General's staff to work with us on the issues at hand.

We believe HB 2343 will give the Consumer Protection staff the tools they need to better protect consumers. At the same time, the bill recognizes the good relationships between local telephone companies and their customers, and between long distance companies and their customers.

KTIA member companies are working individually to implement practices that help protect their customers from consumer fraud and abuse. We believe the cooperative efforts of our members and the AG's Consumer Protection Division are the best way to address the issues. We ask that you report HB 2343 favorably.

Thank you for your time this morning. I'll attempt to respond to your questions.

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 2

to come around and force compliance. A complaint has to be filed with the United States Department of Justice or other federal enforcement entity. An investigation has to be conducted with findings produced. Usually, the entity filed against chooses to seek legal counsel or representation during the process and this makes the process both stressful and expensive.

Advocates who are blind in our neighboring state of Missouri arrived at a no-nonsense approach to get things moving in terms of providing utility bills in media of choice for people who are blind or low vision. This has been accomplished through the adoption of a very short statute last year which simply states that it has to be done. I believe that Ms. Eva Kurtz of the Kansas Association for the Blind and Visually Impaired, Inc. is providing you with a copy of the actual Missouri statute along with her written testimony.

The Missouri solution came to my attention because the Legislator who introduced the measure in Missouri sent me a copy and asked if I thought this would be helpful legislation to blind and low vision Missourians, and perhaps to blind and low vision Kansans as well. The questions I had been receiving in my office from blind Kansans certainly suggested to me this this would be the case.

I want to thank and praise those utility representatives who have talked with me about this proposal. Some of them are listed today as proponents of the legislation, and this is very much to their credit. It is understandable that the utility industry would have questions and concerns about cost of implementation and would be concerned about hardships which providing this accommodation might cause. I have talked with a number of utility representatives about these concerns, and I think most of them agree that an undue burden would not be caused for them by this legislation. In the remainder of this testimony, however, I want to address for others some of the questions I have received, and the answers to those questions.

The first question usually relates to whether this is being done anywhere already. If so, the questioner wants to know how successfully it is being done.

Several major utilities are already doing this. Implementation of the Missouri Law has stepped up this process for some midwestern utilities, but it is happening throughout the country.

Major utilities already providing the services which would be required through HB 2322 include, but are not limited to: Union Electric, Duke Power Co., Bell South, Public Service of Indiana, Omaha Public Power District, City of Raleigh Water, Carolina Power and Light, and Virginia Power. Southwestern Bell, in consortium with Pacific Bell, will be going on line with billing in media of choice soon.

The second question which usually arises is whether there are companies available who have the skill and capacity to easily and efficiently do media conversions, particularly Braille conversions.

I have talked extensively with Darrell Lauer, a Southwestern Bell executive who has been instrumental in setting up the media of choice program for Southwestern Bell and Pacific Bell. He informs me that, while many communities have local Braille and media conversion services who might be able to do utility bill translation, he supports using companies who specialize in this process. These are quite often the most efficient and cost effective. The largest such Company in the United States is Metrolina Association for the Blind, Inc. of Charlotte, North Carolina. This is the providers which Southwestern Bell is using.

I have talked at length with representatives of the Metrolina Association and I have found them to be quite helpful. I am attaching written information from them about how the utility bill conversion process works.

It is certainly not my intent to recommend any one media conversion program over another. There may be Kansas companies who will choose to become active in the utility bill conversion business, but at the moment, these local companies, including my own employer, could not meet the efficiency level of the Metrolina system.

Another concern is how many people will opt for the alternate media billing.

This is a very important service for the people who do opt for it, but the numbers are surprisingly small. The Metrolina material contains a formula which they have developed to determine estimated use. They tell me that this has proven to be very accurate with regard to predicting use of Braille bills. The bottom line is that only about 94 Braille statements will be done for a utility user population of one million (1,000,000). The metrolina

literature estimates a slightly larger use of large print, but their representatives inform me that the figures for large print listed in their literature have proven to be an over-estimate. Figures for large print users run about equal to Braille users. There are more legally blind people who use large print than who use Braille over all, but a percentage of large print users are able to, or prefer to, access large print through closed circuit television magnification devices (CCTVs) or through the use of other magnification.

Then comes the real bottom line question for many utilities. Is the service costly?

Cost figures for Metrolina are contained within their literature. Obviously the costs are very nominal once electronic shipping of the data has been worked out. It is more costly if each bill must be re-data entered manually, but the set up of electronic transfer of material for Braille is usually quite doable.

The greatest reason that cost figures remain below what many utilities assume will be the case relates to the small total numbers involved. Again, this is an important service, but not one which will impact large numbers of utility customers.

Some of the utility representatives have discussed technical amendments with me. We are certainly open to these as long as the overall intent and function of the legislation is maintained.

It is my understanding that a utility will propose alternate language concerning "textfile on computer disk and audio cassette. I have not seen the exact draft language proposed as I write this, but indeed this bill language was taken from the original Missouri draft and does not look exactly like what ultimately was adopted in Missouri. We feel that some audio and electronic formats need to be available to make the program complete and able to serve the range of blind and visually impaired customers out there. Certainly other forms of recorded and electronic data, including electronic mail are accessible to blind persons who possess the requisite knowledge and equipment. A longer phase in time may be required, however, to implement some of these other media, and we are open to this adjustment in the legislation as well.



Metrolina Association For The Blind, Inc.
704 Louise Avenue • Charlotte, NC 28204-2128

1-800-926-5466

(704) 372-3870 Ext. 101

372-3872 Fax

372-3871 Modem

email: braille@charlotte.infi.net

Robert R. Scheffel

Executive Director

INTRODUCTION

The Metrolina Association for the Blind (MAB) can enable you to reach your visually impaired customers in Braille and large print. MAB is a pioneer in the area of "special" statement services and has actively produced monthly statements for visually impaired power customers since 1983. MAB is a major producer of Braille and large print textbooks and processes many special requests routinely.

CURRENT USERS OF MAB ALTERNATIVE INFORMATION SERVICES

The following is a partial list of companies for whom we provide monthly statement production services:

*Citibank	*First Union National Bank
*NationsBank	*Branch Banking & Trust Company
*Duke Power Company	*Virginia Power
*Public Service of Indiana	*AmerenUE of Missouri
*BellSouth	*Carolina Power & Light
*Omaha Public Power District	*City of Raleigh Water

HOW TO DELIVER YOUR STATEMENT DATA TO US

Whether you are a small company with a single request for a Braille or large print statement, or a large company with potentially thousands of requests, MAB can immediately enable you to produce your statements in Braille and large print.

There are several ways to begin using our services. The best way for you depends on how you can deliver your customer data to us. The "ideal" approach is to develop an electronic delivery system. This will require some time and development by your own systems and/or statement rendering departments. In the meantime, there are a number of simpler options that will allow you to start up immediately.

If you have just a few statements (less than ten pages) and customers waiting, you can fax their statements to us today and we'll have their Braille or large print statements in the mail to them by tomorrow. We will invoice you for the labor, printing and postage. See the section on costs for specific pricing details.

Until you develop an acceptable electronic delivery system, you will want to institute a manual system for pulling copies of your customer statements and "over-nighting" them to us. We will perform all of the necessary data entry, formatting, printing and mailing functions for you. This manual approach is slower, more prone to errors and more costly than any of the automated delivery systems, but does allow you to address your Braille and large print statement needs on an ongoing basis. See the section on costs for exact pricing details.

We should begin a dialogue immediately with your statement rendering department to evaluate the fastest and most efficient ways of sharing your customer data with us electronically. To create a fully automated production system, certain format delimiters must be added to your files before they are sent to us. This is necessary because of the special formatting requirements of Braille and large print.

This will require some development time on your part. In the absence of such development, you could share "unformatted" statement files with us and we will perform the Braille and large print reformatting operations for you. All of these decisions will be greatly influenced by the availability of your own internal resources and the potential number of visually impaired customers to be served. See the section on demographics for estimates of your Braille and large print customer base.

GENERAL INFORMATION

Whether you use a manual or automated delivery system, your Braille and large print statements will be printed in Charlotte and mailed directly to your visually impaired customers. Most companies we serve continue to send the original statements to these customers directly. The "special" statements are thought of as supplements to the normal ink printed communications from your

company.

Newsletters or inserts contained in your "normal" statements may also be produced for your visually impaired subscribers. These supplements may be mailed along with each customer's statement.

Statements delivered to us on paper can usually be manually processed and placed in the mail by the 4th business day. Contrastingly, statement data shared with us electronically can usually be mailed out on the same day or by the next business day.

We take the necessary steps to ensure that your information security and customer confidentiality are maintained.

There are two ways of manually producing large print: computerized laser print and photo enlargement. Computerized laser printing creates the most readable large print documents. It also costs more because the information has to be keyed or scanned. The advantage with this approach is improved readability. The customer receives the first generation document which possesses the highest contrast possible. We also use a very bold and undecorated font style which gives the greatest readability. The second method uses a photo enlargement process.

If the print characteristics of your "regular" statements are acceptable, we may be able to use this process. The paper size and font characteristics of your original documents will determine if this is an acceptable option. The advantage is that it is cheaper since it requires less labor to create the large print bill. The disadvantage is that it generally creates fuzzier print that is more difficult to read. We have to evaluate the enlargement process as a possible option for producing large print statements on a case-by-case basis. We will need a sample document to evaluate that is of the same quality that you would be sending to us for routine processing.

The special formatting delimiters used for Braille statements can also be used for generating large print. All that is needed is a simple "type of statement" indicator to inform our system as to which type of statement to produce. For this reason, the added development cost for large print over and beyond that of a Braille system is negligible.

Statements printed in Braille should not be folded and must be sent in a 9" by 12" envelope. Large print statements may be folded and sent in regular business size envelopes.

DEMOGRAPHICS: Numbers of BRAILLE AND LARGE PRINT USERS

Approximately 0.25% of the nation's population is "legally blind". This includes the range of visual impairments from total blindness to sight of 20/200 after corrective lenses. Active Braille readers make up about 15% of the "legally blind" population. Large print users account for about 55% of this same population. Our experience suggests that approximately 25% of your Braille and large print users will subscribe to the "special" printing services.

Braille Participants = Total Population x .0025 x .15 x .25
 Large Print Participants = Total Population x .0025 x .55 x .25

For every 1,000,000 customers in your service area, you can expect to have approximately 94 Braille and 344 large print subscribers once your special services are fully underway.

These numbers are only estimates and will vary with your publicity efforts.

INCREMENTAL COSTS: MANUAL APPROACH (PAPER DELIVERY)

If you send us "regular" printed copies of your statements and allow us to perform the data entry function for you, the following prices will apply.

Data entry cost per original statement page: \$7.78
 Printing cost per Braille page: \$0.45
 Printing cost per laser large print page: \$0.35
 Printing cost per enlarged large print page: \$0.65

Envelope, label and stuffing per statement: \$0.50

You assume the actual postage costs. We will prepay this postage and bill you for it monthly.

If your total monthly fees amount to less than \$100, you will be billed quarterly for our services. If your total monthly fees for the quarter amount to less than \$50, you will be billed the quarterly minimum of \$50. This is to cover the related administrative costs.

INCREMENTAL COSTS: AUTOMATED APPROACH (ELECTRONIC DELIVERY)

A different cost structure is used if you deliver your customer data to us electronically. For files that have been equipped with the special format delimiters that we need, the associated costs are as follows.

A one-time service origination fee of \$600.00 will be made to cover MAB's initial technical support to you. This applies to statement formatting, data communications and other related start up support functions. Beyond this 10 hour period, you will be billed \$75 per hour for continued development and support.

You would assume the long distance downloading time charges if you deliver your data to us by a long distance modem call.

A printing charge of forty five cents (\$0.45) is made per Braille page and thirty five cents (\$0.35) per large print page. This amount is fixed regardless of the number of customers served or the number of pages printed. You may provide your customers with as much information as you wish.

A charge of fifty cents (\$0.50) is placed on each statement or customer bill. For this fee we will provide the customer mailing labels, your return address labels and the mailing envelopes. Also covered by this charge is the labor associated with affixing the labels and inserting the statements into the envelopes.

You assume the actual postage costs. We will prepay this postage and bill you for it monthly.

If your total monthly fees amount to less than \$100, you will be billed quarterly for our services. If your total monthly fees for the quarter amount to less than \$50, you will be billed the

quarterly minimum of \$50. This is to cover the related administrative costs.

PER STATEMENT COST COMPARISON: MANUAL VERSES AUTOMATED METHODS

It has been our experience that the "average" power statement is about one "regular" page in length. This will generate approximately three pages of Braille or three pages of large print. For purposes of discussion, we'll use these estimates for basing our cost projections to you.

Braille

Manual Production:	\$10.18
Automated Production:	\$2.40

Large Print

Manual Production Enlargement	\$1.70
Manual Production Laser Print:	\$9.65
Automated Production Laser Print:	\$1.87

WHERE TO GO FROM HERE

For small jobs, your Braille or large print solution is just a fax or phone call away.

If you are considering routine, monthly Braille and/or large print services, you should send us printed samples of your statements for our analysis. We should begin a dialogue with your statement rendering department immediately.

For more information please contact:

Robert Scheffel
 Metrolina Association for the Blind
 704 Louise Avenue
 Charlotte, NC 28204
 Telephone (704) 372-3870, Ext. 101

Fax (704) 372-3872



Kansas Association for the Blind and Visually Impaired, Inc.

AN AFFILIATE
OF THE
AMERICAN COUNCIL
OF THE BLIND

TESTIMONY PROVIDED BY EVA KURTZ

HOUSE BILL 2322

The Kansas Association for the Blind and Visually Impaired, Inc. supports this legislation. It would make independent life a little easier for people who are blind and visually impaired.

It is very difficult these days to get assistance from readers. With so many people working, volunteers are harder to find. Most blind people are not eligible for any kind of paid reading assistance. Yet if a blind person does not pay their utilities in time < they are turned off or late fees are charged just as they are for all others >

Billing in media of choice can be done. Sears is doing this. I will pass around samples. If Sears can do it, the utilities can.

A law such as is proposed in HB 2322 recently passed in Missouri. I called the Missouri Utilities Commission and got a copy. It is attached.

Post Office Box 292

/

Topeka, Kansas 6

DATE:

2-19-99

ATTACHMENT

4

HOUSE UTILITIES



Rebecca McDowell Cook
Secretary of State

Office of Secretary of State
State of Missouri
Jefferson City, MO 65101

State Information Center
Missouri State Library

1/12/99

Eva Curts
715 SW Fillmore Apt 1
Topeka KS 66606

Dear Ms. Curts:

I was given your request for a copy of statute 393.300 by
Laura Anson of the Missouri Public Service Commission.
Enclosed please find one print copy and two Braille copies of
this Missouri Statute.

Lisa Sanning

Reference Librarian
Wolfner Library for the Blind
and Physically Handicapped

Wolfner Library for the Blind and Physically Handicapped

600 W. Main, P.O. Box 387, Jefferson City, MO 65102-0387 • Ph: 573-751-8720, Toll free: 800-392-2614, TDD: 800-347-1379

4-2

Missouri Revised Statutes

Chapter 393

Gas, Electric, Water, Heating and Sewer Companies

Section 393.300

August 28, 1998

Customer bills in Braille or bold-faced type on request.

393.300. 1. Any provider of telephone, sewer, water, electric or gas utility service, whether public or private, shall, upon the request of a customer of such provider, provide the customer's bills in Braille or no less than twenty-four point bold-faced type print or both.

2. This section shall become effective on August 28, 1999.

(L. 1998 H.B. 1088 § 393.300, § A)

Effective 8-28-99



Kansas Association for the Blind and Visually Impaired, Inc.

AN AFFILIATE
OF THE
AMERICAN COUNCIL
OF THE BLIND

The Topeka Association of the Visually Impaired for Service

February 18, 1999

Testimony provided by Mary Adams

RE: HB 2322

The Topeka Association for the Visually Impaired for Service supports this legislation, House Bill 2322. As a blind Kansas citizen, I personally also support it.

Having to have people read utility bills to a blind person can be very difficult. I have had electricity and water shut off because of bills being mis-read or not having a reader available. When this has happened, I paid not only my \$25.00 re-connect fee, as well as the bill itself, but I had to hire a taxi to take it down and pay it in person just to get the utilities back on.

Often readers will only want to read the bottom line. I have a home with three meters because I have a couple of apartments. I have rented these in the past on a utilities paid rental basis, and I needed to keep track of utility consumption of my renters for income tax and other business purposes. It was very hard to do this when the bills did not come in a format where I could read and study them myself.

People who can jump in their car and drive to the utility payment location if there is a problem with billings do not realize how much more difficult and expensive it is for an older, blind person to handle this business without driving. In my personal instance, I also have to now use a wheelchair much of the time and this even further complicates my ability and expense to conduct such business. This is the reason it is very important that we have our bills and records in formats where we can handle them.

HOUSE UTILITIES

Post Office Box 292

/

Topeka, Kansas

DATE:

2-19-99

ATTACHMENT

5



Legislative Testimony

Kansas Telecommunications Industry Association 700 SW Jackson St., Suite 704, Topeka, KS 66603-3758 V/TTY 785-234-0307 FAX 785-234-2304

Before the House Committee on Utilities

HB 2322

February 19, 1999

Mr. Chairman, members of the committee, I am Rob Hodges, President of the Kansas Telecommunications Industry Association. Our membership is made up of local telephone companies, long distance companies, wireless telecommunications companies, and firms and individuals that provide service to and support for the telecommunications industry in Kansas.

HB 2322 would require KTIA members and other entities mentioned in the bill, to provide to customers who are blind or who have a visual impairment their monthly billings and supporting materials in one of several special formats. We appear today in support of this proposal, with the amendments shown on the attached draft of the bill.

Experience in Missouri tells us that the complications and hardships that providing Braille or large print billing might impose on utilities are outweighed by the benefits afforded to the targeted customer group. The limited research we have conducted indicates that the increased costs to be incurred by telephone companies for Braille or large print billing should not cause a hardship.

However, it must be pointed out that the proposals of HB 2322 go significantly beyond the legislation approved last year in Missouri. Because several companies provide service in both Kansas and Missouri, the KTIA proposes that HB 2322 be amended to mirror the provisions of the Missouri law.

This could be considered an initial or interim step in requiring utilities to provide the other billing formats envisioned in HB 2322. After some experience has been gained in providing billings in Braille and/or large print, we will all have a better idea of customer demand and the costs and potential complications of requiring billings to be provided on computer disk or audio cassette.

Mr. Chairman, members of the committee, with the amendments outlined on the attached page, the membership of the KTIA would be pleased to support this bill. I will attempt to answer your questions.

HOUSE UTILITIES

DATE:

2-19-99

ATTACHMENT

6

.....
Session of 1999

HOUSE BILL No. 2322
By Committee on Utilities

2-8

.....
AN ACT concerning utilities; relating to billing procedures.

Be it enacted by the Legislature of the State of Kansas:

Section 1. *After January 1, 2000, upon ~~Upon~~ request of a ~~visually impaired~~ or ~~blind~~ customer, any provider of sewer, water, electric, gas, or telecommunications utility service, or any provider of cable utility television service, or any provider of two or more of such services, whether public or private, shall provide the customer's bills and related information concerning billings in Braille, in large print, ~~textfile on computer disk or~~ audio cassette, or any combination thereof of not less than twenty-four point bold-faced type, or both. ~~The provision of such bills and related information in alternative formats shall be at no additional cost to the customer.~~*

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

Missouri Revised Statutes
Chapter 393
Gas, Electric, Water, Heating and Sewer Companies
Section 393.300
August 28, 1998

393.300. Customer bills in Braille or bold-faced type on request.

1. Any provider of telephone, sewer, water, electric or gas utility service, whether public or private, shall, upon the request of a customer of such provider, provide the customer's bills in Braille or no less than twenty-four point bold-faced type print or both.
2. This section shall become effective on August 28, 1999.

- TESTIMONY -

TO: The Honorable Carl Holmes
And Members Of The
House Utilities Committee

FROM: Whitney Damron
On Behalf Of
The Empire District Electric Company

RE: HB2322 – An Act concerning utilities; related to billing procedures.

DATE: February 19, 1999

Good morning Chairman Holmes and Members of the House Utilities Committee. I am Whitney Damron and I appear before you this morning on behalf of The Empire District Electric Company in support of HB 2322 requiring utilities, such as Empire, to provide billing information in Braille, large print, textfile on computer disc or audio cassette, or any combination thereof.” By way of information, Empire is a Kansas corporation with its headquarters in Joplin, Missouri and they provide electric service to over 140,000 customers in Kansas, Missouri, Oklahoma and Arkansas.

The State of Missouri adopted similar legislation last year. It is our understanding that most, if not all who are required to provide such billing statements in Missouri utilize the services of a translation service, such as Metro Line of North Carolina, which is significantly less expensive than creating such billings “in-house”. Due to the likely small number of customers on the Empire system who may request such service, we believe we can be supportive of this legislation without incurring significant cost to our company or ratepayers which would be substantially disproportionate to the service rendered to the customer.

HOUSE UTILITIES
DATE: 2-19-99
ATTACHMENT 7

Empire would respectfully request an amendment to this bill which we believe is technical in nature. Specifically, on line 17 of the bill, by deleting the word "cassette" and replacing it with the word "format". We believe this language would more accurately reflect current, and possibly future technology. We have spoken to Mr. Michael Byington of Envision, the primary sponsor of this bill, and I believe he has no objection to this amendment. A balloon amendment is attached to my testimony.

Empire currently provides an auto line call up system for our customers billing inquiries and is spending in excess of \$100,000 to make this system "Y2K-compliant". We believe this system will be favored by our sight-impaired customers over other billing formats. However, this amendment certainly would not preclude such persons from requesting their billing information in other formats as outlined in the bill.

As noted earlier in my testimony, this legislation was adopted in Missouri last year. To date, none of our 100,000 customers in Missouri have requested this service. Also, our auto line receives approximately 1,000 hits, or calls per month.

On behalf of the Empire District Electric Company, we thank you for your consideration of this legislation and our proposed amendment. I would be pleased to stand for questions at the appropriate time.

HOUSE BILL No. 2322

By Committee on Utilities

2-8

9 AN ACT concerning utilities; relating to billing procedures.

10 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. Upon request of a visually impaired or blind customer,
13 any provider of sewer, water, electric, gas, telecommunications or cable
14 utility service, or any provider of two or more of such services, whether
15 public or private, shall provide the customer's bills and related informa-
16 tion concerning billings in braille, large print, textfile on computer disk
17 or audio cassette, or any combination thereof. The provision of such bills
18 and related information in alternative formats shall be at no additional
19 cost to the customer.

format

20 Sec. 2. This act shall take effect and be in force from and after its
21 publication in the statute book.

WHITNEY B. DAMRON, P.A.
1100 MERCANTILE BANK TOWER
800 SW JACKSON STREET
TOPEKA, KANSAS 66612-2205
(785) 354-1354 - 354-8092 (FAX)

Testimony
Before the
HOUSE UTILITIES COMMITTEE

By
Caroline Williams, Western Resources
February 19, 1999

Chairman Holmes and members of the Committee:

I am Caroline Williams, Senior Director of Customer Service at Western Resources. Thank you for allowing me the opportunity to address the committee on House Bill #2322.

My understanding of House Bill 2322 is that upon request of a visually impaired or blind customer, the utility must provide the customer's bills and related information concerning billings in braille, large print, textfile on computer disk or audio cassette, or any combination thereof. This information would be provided to the customer at no additional costs.

Let's begin by reviewing what services are available and hopefully helpful to all customers especially those with impairments.

- We have a Customer Action Center (phone center) that is available 24 hours a day, 7 days a week, 365 days a year. When a customer calls our phone center they will initially connect with our Interactive Voice Response (IVR) system. Let me explain what an IVR is and how it works. The IVR is an automated system whereby the customer can access information relative to their service account. To access the information the customer will need to know their utility service account number. Through the IVR the customer can acquire information regarding;

Billing Account Information and Payment Options (date and amount of last payment, previous and/or current balances and due dates, total account balance, request a duplicate bill, get pay station location, make limited pay arrangements, request letter of credit history, obtain meter information; last meter read and date, amount of usage, next read date, company addresses and fax information, etc.)

- Some people don't want to go through an IVR system and would prefer to talk to an actual person. Therefore, at any time the customer can talk to a customer service representative. They would simply press "0" at any time in the IVR and the call will be transferred to a customer service representative in our phone center where they can receive the same information as indicated earlier. The phone center is staffed and available 24 hours a day, 7 days a week, 365 days a year. So someone is always available to meet the needs of our customers.
- We also have a service called Third Party Notification. This is where a customer may designate a third party to receive a copy of their monthly utility statements. They simply call our phone center and request the service. We will set the service up and a copy of their

House
Utilities
2-19-99
Attachment 8

service statements will go to the third party, who can explain the information on the statement, pay the bill for them, or contact us and act upon behalf of the customer with the customer's permission.

- Additionally, we have a bank draft plan. This benefits the customer by automatically paying their utility bill by deducting the payment directly through their bank account. The customer is required to send us a voided check to initiate the process. They can select the date the funds are deducted from the account. They can verify the amount of the bill and/or verify the payment through the IVR or through by talking to a customer service representative in our phone center.

We feel these already existing services may address the intent of the bill.

I have worked in Customer Service for over 23 years, I am personally aware of only 1 recent inquiry about what special services the utility has for the visually impaired or blind. We responded to the customer with the information I described above and we indicated the important areas of our bill, such as the bill amount, due date, and the toll free telephone number are printed in bold and a larger font size. These areas can be read through a visual scanner. I believe the response satisfied the customer's inquiry.

We don't know how many visually impaired or blind customers we have at Western Resources. We certainly stand ready to work with any customer, sight impaired or otherwise to meet their needs.

Again, thank you for allowing me the opportunity to speak on House Bill 2322. I would be happy to answer any questions at this time.



LEAGUE OF KANSAS MUNICIPALITIES

LEGAL DEPARTMENT □ 300 S.W. EIGHTH □ TOPEKA, KANSAS 66603

PHONE: (785) 354-9565 □ FAX: (785) 354-4186

To: House Utilities Committee
From: Kim Gulley, Assistant General Counsel
Date: February 19, 1999
Re: House Bill 2322

Thank you for allowing me to appear today on behalf of the League of Kansas Municipalities and our 529 member cities. While the League supports the intent of this legislation, we are concerned with the impact on the smaller cities in Kansas.

There are 628 cities in Kansas and the vast majority of them provide sewer and water services. In addition, 121 cities operate municipal electric utilities and 70 cities operate municipal gas utilities. It is also important to note that most incorporated cities in Kansas have a population under 2000. I have attached a population summary for Kansas cities to my testimony.

The language of House Bill 2322 mandates that the utility provide billing information in braille, large print, textfile on computer disk or audio cassette, or any combination thereof at the request of a visually impaired or blind customer. While the exact cost of such a mandate would vary based upon the existing facilities in the city, there is no doubt that the cost of compliance with these requirements would be significant. In a community with a small population, this means that the customers in that city would bear a significant per capita burden in order to comply.

We believe that visually impaired customers certainly should have access to all pertinent billing information. Rather than mandating at the state level the specific method for providing this access, we propose that such decisions be left to local governments and their elected officials. In this way, cities may fashion a solution to this challenge based on their existing facilities, the need for the service, and their budgetary constraints.

For these reasons, we respectfully request that you modify House Bill 2322 to do one of the following:

- Exempt municipal utilities from its provisions; or
- Authorize the utility to provide the billing in at least one (rather than all) of the specific methods to be determined by the billing utility.

Either of these amendments would help to alleviate our concerns with the bill.

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 9

1998 City Population Summary

Population data are U.S. Bureau of the Census estimates as of July 1, 1997. The Division of the Budget certified this data to the Secretary of State in July of 1998.

<u>Class of City</u>	<u>Number</u>	<u>% of Total City</u>	
		<u>Population</u>	<u>Population</u>
Cities of the First Class	24	1,317,496	64.35%
Cities of the Second Class	91	440,790	21.53%
Cities of the Third Class	512	289,261	14.13%
Cities	627	2,047,547	100.00%
State		2,583,745	

<u>Population Group</u>	<u>Number</u>	<u>% of Total City</u>	
		<u>Population</u>	<u>Population</u>
10,000 and over	33	1,457,871	71.20%
5,000 – 9,999	20	142,616	6.97%
2,000 – 4,999	63	193,672	9.46%
1,000 – 1,999	82	118,632	5.79%
500 – 999	92	65,792	3.21%
400 – 499	39	17,511	0.86%
300 – 399	38	13,192	0.64%
200 – 299	66	16,505	0.81%
Under 200	194	21,756	1.06%

<u>Form of Government</u>	<u>1st Class</u>	<u>2nd Class</u>	<u>3rd Class</u>	<u>Total</u>
Mayor-Council	2	49	506	557
Commission	0	11	1	12
Commission-Manager	15	20	4	39
Mayor-Council-Manager	5	11	0	16
Modified Mayor-Council	1	0	1	2
Consolidated City/County	1	0	0	1
Total	24	91	512	627

**Report of Subcommittee on H.B. 2045 to House Committee on Utilities
February 17, 1998**

The Subcommittee on H.B. 2045 reviewed the major issues pertaining to H.B. 2045 and received comments from various interested parties. A quorum of the Subcommittee recommended that Representative Holmes, on behalf of the House Committee on Utilities, request the Legislative Coordinating Council to refer H.B. 2045 to an interim study in 1999. The reason for this recommendation is the following:

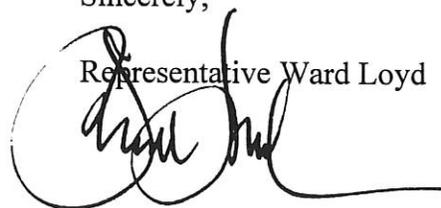
- Time constraints
- The complexity of these issues
- The impending decision of the 10th Circuit Court of Appeals on a case pertaining to several germane issues
- The fact that the bill has been presented twice previously.

The parties to the issues, including the gas storage industry, have acknowledged a need to address and resolve the areas of contention and have pledged to work together to that end.

Therefore, the Subcommittee recommended the Chairman's letter request that, as part of that study, all parties to the issues addressed in H.B. 2045 (proponents and opponents of the bill) develop a plan, reflecting the product of their cooperative efforts, to be presented to the interim committee.

Sincerely,

Representative Ward Loyd



HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 10

UTILITIES COMMITTEE

Minority Report of the Sub-committee on HB 2045

Dear Chairman Holmes:

We regret to inform the committee that we do not concur with the majority report.

It is the opinion of the minority that the sub-committee has made significant progress towards resolving the issues involved in HB 2045. The interested parties met on February 17, 1999 and clarified the issues of contention that existed between them.

We believe that the attached balloon represents a reasonable, fresh approach to the issues, and that the full committee should take action on it.



Rep. Thomas Klein



Rep. Annie Keuther

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 11

HOUSE BILL No. 2045

By Committee on Utilities

1-19

9 AN ACT concerning underground storage of natural gas; amending
10 K.S.A. 55-1201, 55-1204, 55-1205 and 55-1210 and repealing the ex-
11 isting sections.

12
13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. K.S.A. 55-1201 is hereby amended to read as follows: 55-
15 1201. As used in this act:

16 (a) "Underground storage" shall mean means storage in a subsurface
17 stratum or formation of the earth;

18 (b) "Natural gas" shall mean means gas either while in its original
19 state or after the same has been processed by removal therefrom of com-
20 ponent parts not essential to its use for light and fuel;

21 (c) "Native gas" shall mean gas which has not been previously with-
22 drawn from the earth;

23 (d) "Natural gas public utility" shall mean means any person, firm or
24 corporation authorized to do business in this state and engaged in the
25 business of transporting or distributing natural gas by means of pipelines
26 into, within or through this state for ultimate public use.

27 (e) (d) "Commission" shall mean means the state corporation
28 commission.

29 (e) "Suitable for the underground storage of natural gas" means ~~a~~
30 separate and distinct stratum or formation from which natural gas cannot
31 migrate to another stratum or formation.

32 Sec. 2. K.S.A. 55-1204 is hereby amended to read as follows: 55-
33 1204. (a) Any natural gas public utility desiring to exercise the right of
34 eminent domain as to any property for use for underground storage of
35 natural gas shall, as a condition precedent to the filing of its petition in
36 the district court, shall obtain from the commission a certificate setting
37 out findings of the commission:

38 (1) That the underground stratum or formation sought to be acquired
39 is suitable for the underground storage of natural gas and that its use for
40 such purposes is in the public interest; and

41 (2) regarding the amount of recoverable oil and native natural gas, if
42 any, remaining therein in place in the stratum or formation.

43 (b) The commission shall issue no such certificate under this section

strata or formations which, based on tests recognized by the
commission, are deemed by the commission to prevent or
substantially minimize the potential for natural gas to migrate to other
strata or formations

The commission, if it determines appropriate or necessary,
may require an independent study to be conducted to assist the
commission in determining whether a stratum or formation is suitable
for the underground storage of natural gas

11-2

1 until after public hearing is had on application and upon reasonable notice
 2 to interested parties. (1) The commission causes an independent study to
 3 ~~be made to assist the commission in making the findings required by~~
 4 ~~subsection (a), and (2) notice as provided by law is given to all interested~~
 5 parties and a public hearing on the application is held in accordance with
 6 the provisions of the Kansas administrative procedure act.

7 (c) Subject to the provisions of K.S.A. 55-143 and amendments
 8 thereto, the applicant shall be assessed an amount equal to all or any part
 9 of the costs of ~~such any study and any proceedings conducted pursuant~~
 10 to this section and the applicant shall pay the amount so assessed before
 11 the commission issues a certificate under this section.

12 (d) All provisions of K.S.A. 66-106, 66-118a, 66-118b, 66-118c,
 13 66-118d, 66-118e, 66-118j and 66-118k ~~or any, and~~ amendments thereto,
 14 shall be applicable to all proceedings of the commission under K.S.A. 55-
 15 1201 to 55-1206, inclusive, and acts amendatory thereof or supplemental
 16 through 55-1206, and amendments thereto.

17 (e) The state corporation commission shall remit all moneys re-
 18 ceived by or for it for costs assessed under this section to the state trea-
 19 surer at least monthly. Upon receipt of each such remittance, the state
 20 treasurer shall deposit the entire amount thereof in the state treasury and
 21 the same shall be credited credit it to the conservation fee fund created
 22 by K.S.A. 55-143 and amendments thereto.

23 Sec. 3. K.S.A. 55-1205 is hereby amended to read as follows: 55-
 24 1205. ~~Any~~ (a) After obtaining a certificate from the commission as pro-
 25 vided by K.S.A. 55-1204, and amendments thereto, a natural gas public
 26 utility, having first obtained a certificate from the commission as here-
 27 inbefore provided, desiring to exercise the right of eminent domain for
 28 the purpose of acquiring property for the underground storage of natural
 29 gas shall do so in the manner provided in K.S.A. 26-501 to 26-516, inclu-
 30 sive. The petitioner shall file the certificate of the commission as a part
 31 of its petition and no order by the court granting said petition shall be
 32 entered without such certificate being filed therewith. The appraisers in
 33 awarding damages hereunder shall also take into consideration the emi-
 34 nent domain procedure act (K.S.A. 26-501 et seq. and amendments
 35 thereto), except as otherwise provided by this section.

36 (b) If eminent domain proceedings are brought pursuant to this sec-
 37 tion to condemn property located in two or more counties, the proceedings
 38 shall be brought in the county where the greatest portion of the property
 39 is located ~~and the appraisers shall be appointed from among the disinter-~~
 40 ~~ested householders of all counties where the property is located.~~

41 ~~(c) The interest condemned in a proceeding pursuant to this section~~
 42 ~~shall be a leasehold interest for which the award shall be: (1) Damages in~~
 43 ~~an amount equal to the value of the amounts of recoverable oil and native~~

shall see

(c) If the interest condemned in a proceeding pursuant to this section is a leasehold interest, the term of the leasehold shall continue until the underground storage facility is abandoned pursuant to K.S.A. 55-1208 and amendments thereto.

(d) In ascertaining the amount of compensation and damages to be awarded in an eminent domain proceeding brought pursuant to this section, the court, in addition to the specified by K.S.A. 26-513 and amendments thereto, shall consider: (1) The

1 gas remaining natural gas in place in the property sought to be appro-
 2 priated and for such purposes, for which purpose the appraisers shall
 3 receive as prima facie evidence of such amounts evidence the findings of
 4 the commission with reference thereto to those amounts and evidence
 5 based on professional engineering studies and presented by any interested
 6 party; (2) royalties for any oil produced or other minerals recovered from
 7 the premises, to be paid to the owners of the mineral rights; (3) annual
 8 payments based on the annual leased value of the property for under-
 9 ground storage of natural gas (the leased value of the storage formation);
 10 (4) the value of pipeline and utility easements; (5) the value of surface
 11 easements for pads or well site areas to be used for extraction, injection
 12 and monitoring wells and other purposes; (6) the value of any surface
 13 area used for roadways; (7) if fresh water is taken, the value of the water
 14 rights taken, and (8) any damages incurred by the property owners from
 15 the use of their property. The appraisers shall assign the fair market value
 16 of all rights taken

the value of

; (3) if the interest condemned is a leasehold interest,

and

(e)

17 (d) If there has been an uncompensated and unauthorized prior use
 18 of the property by the petitioner for underground storage of natural gas,
 19 the appraisers shall assign a value to such prior use based on the fair
 20 rental value of the storage space.

, which shall be included in the award

21 (e) The court, in its order granting a petition for the purposes of this
 22 act, shall specify the amount of surface area covered by any dominant
 23 easement being taken and shall describe the location of such easement. If
 24 the proposal of the petitioner is to wash out a salt cavern for storage, the
 25 order of the court shall include those measures that the petitioner must
 26 take to protect fresh water.

(f)

27 ~~(f) The court shall not grant a petition to exercise the right of eminent
 28 domain for the purposes provided by this act unless: (1) The certificate
 29 of the commission issued under K.S.A. 26-1204 and amendments thereto
 30 is filed with the petition; and (2) the court determines that the petitioner
 31 has compensated the property owner for the value assigned by the ap-
 32 praisers to the petitioner's prior uncompensated and unauthorized use of
 33 the property for underground storage of natural gas or that the award
 34 will include such compensation.~~

35 Sec. 4. K.S.A. 55-1210 is hereby amended to read as follows: 55-
 36 1210. (a) All natural gas which has previously been reduced to possession,
 37 and which is subsequently injected into underground storage fields, sands,
 38 reservoirs and facilities, whether such storage rights were acquired by
 39 eminent domain or otherwise, shall at all times be the property of the
 40 injector, such injector's heirs, successors or assigns, whether owned by
 41 the injector or stored under contract.

42 (b) In no event shall such gas be subject to the right of the owner of
 43 the surface of such lands or of any mineral interest therein, under which

1 such gas storage fields, sands, reservoirs and facilities lie, or of any person,
 2 other than the injector, such injector's heirs, successors and assigns, to
 3 produce, take, reduce to possession, either by means of the law of capture
 4 or otherwise, waste, or otherwise interfere with or exercise any control
 5 over such gas. Nothing in this subsection shall be deemed to affect the
 6 right of the owner of the surface of such lands or of any mineral interest,
 7 therein to drill or bore through the underground storage fields, sands,
 8 reservoirs and facilities in such a manner as will protect such fields, sand,
 9 reservoirs and facilities against pollution and the escape of the natural gas
 10 being stored.

11 (c) With regard to natural gas that has migrated to adjoining property
 12 or to a stratum, or portion thereof, which has not been condemned as
 13 allowed by law or otherwise purchased:

14 (1) ~~The injector, such injector's heirs, successors and assigns shall not~~
 15 ~~lose title to or possession of such gas if such injector, such injector's heirs,~~
 16 ~~successors or assigns can prove by a preponderance of the evidence that~~
 17 ~~such gas was originally injected into the underground storage.~~

18 (2) ~~The injector, such injector's heirs, successors and assigns, shall~~
 19 ~~have the right to conduct such tests on any existing wells on adjoining~~
 20 ~~property, at such injector's sole risk and expense including, but not limited~~
 21 ~~to, the value of any lost production of other than the injector's gas, as~~
 22 ~~may be reasonable to determine ownership of such gas~~ ~~owner of the~~
 23 ~~adjoining property or stratum or portion thereof, shall have title and~~
 24 ~~possession of such gas in place at the time of condemnation or purchase.~~

25 (3) (2) ~~The owner of the stratum and the owner of the surface shall~~
 26 ~~be entitled to such compensation, including compensation for use of or~~
 27 ~~damage to the surface or substratum, as is provided by law, compensation~~
 28 ~~for the use of and damages to the surface and substratum and shall be~~
 29 ~~entitled to recovery of all costs and expenses, including reasonable attor-~~
 30 ~~ney fees, if litigation is necessary to enforce any rights under this subsec-~~
 31 ~~tion (c) and the injector does not prevail.~~

32 (d) The injector, such injector's heirs, successors and assigns shall
 33 have the right to compel compliance with this section by injunction or
 34 other appropriate relief by application to a court of competent
 35 jurisdiction.

36 Sec. 5. K.S.A. 55-1201, 55-1204, 55-1205 and 55-1210 are hereby
 37 repealed.

38 Sec. 6. This act shall take effect and be in force from and after its
 39 publication in the statute book.

injector, such injector's heirs, successors and assigns shall not lose title to or possession of such gas if such injector, such injector's heirs, successors or assigns can prove by a preponderance of the evidence that such gas was originally injected into the underground storage.

(2) The injector, such injector's heirs, successors and assigns, shall have the right to conduct such tests on any existing wells on adjoining property, at such injector's sole risk and expense including, but not limited to, the value of any lost production of other than the injector's gas, as may be reasonable to determine ownership of such gas. Advance notice of such tests shall be given to the owners of property rights comprising the adjoining property in accordance with rules and regulations adopted by the commission and the tests shall be conducted on such terms and conditions as established by rules and regulations adopted by the commission.

owners of property rights comprising the adjoining property

and the injector does not prevail

February 18, 1999

To: House Utilities Committee

From: Lynne Holt, Principal Analyst

Re: Employee Transition matters in Enacted Electric Utility Restructuring

Attached is a table on the treatment of employee transition matters in enacted electric utility restructuring legislation addressing those matters (not all state restructuring laws include employee transition provisions). This information responds to a request by Representative Annie Kuether during the hearing on H.B. 2025. Some of this information was extracted from the *Proposed Outline for Grid on Retail Wheeling* presented to the Retail Wheeling Task Force by the Kansas Legislative Research Department (August 26, 1997). Information from the Connecticut, Illinois, Massachusetts, New Jersey, and Virginia laws was added to this table. (These states had enacted legislation subsequent to development of the initial grid.)

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 12

Employee Transition in Electric Utility Restructuring Legislation

California	Certain utilities are authorized to include in stranded costs specified employee-related transition costs associated with the requirement that they continue to operate and maintain generating facilities for at least two years after the sale of such facilities. (1996 A.B. 1890; Section 375(b)) Costs will continue until fully collected. However, cost recovery may not extend beyond 12/31/06. (1996 A.B. 1890; Section 367 (a)(1))
Connecticut	Prior to the approval by the Commission of any stranded costs, the electric company must demonstrate its efforts to mitigate such costs. Except for collective bargaining agreements or agreements to purchase generation assets entered into prior to July 1,1998, purchasers of divested generation facilities must attest in writing that they will offer employment to persons who held nonmanagerial positions in the divested generation facility at any time during the three-month period prior to divestiture. Such employment must be at wage and overall compensation levels not lower than the employees' lowest level during the six-month period prior to the effective date of the divestiture contract. (Public Act 98-28; New Section 8 (c))
Illinois	If an electric utility transfers a generation unit and/or other business unit to another business, that business must agree to hire a sufficient number of nonsupervisory employees to operate and maintain the unit by offering those employees jobs which, at a minimum, have essentially the same wage and benefit level as those employees previously enjoyed. The employment requirements would apply for at least 30 months from the time of transfer of ownership unless the parties mutually agree to different terms and conditions of employment. The electric utility also must offer a transition plan to employees not offered jobs by the acquiring business, should that business need fewer workers. (1997 H.B. 362; Sec. 16-128)
Maine	Prior to the beginning of retail access, each investor-owned utility is required to prepare a plan for providing transition services and benefits for eligible employees (defined in the legislation). The plan must include a program to assist eligible employees in maintaining fringe benefits and obtaining employment that makes use of their potential. For two years after the beginning of retail wheeling, benefits to eligible employees must include: retraining services and out-placement services and benefits and full tuition for two years at the University of Maine, or vocational or technical school in Maine. For two years or until permanent replacement coverage is obtained through re-employment benefits must include: continued health care insurance at the same level obtained at the utility and severance pay equal to two weeks of base pay for each year of full-time employment. The plan also may include provisions for early retirement benefits. (1997 H.P. 1274-L.D. 1804; Section 3216)
Massachusetts	An employee of a generation facility, an electric company, or gas company who is terminated through no fault of his own as a result of restructuring is eligible for re-employment assistance benefits and health insurance benefits. Such benefits are to be paid fully by the electric or gas company. Moreover, such benefits will be in addition to any benefits provided to the employee pursuant to any agreement from collective bargaining by the owner of the electric company, generation facilities, or gas company. (Chapter 164 of the Acts of 1997; Section 119)

Montana	(Indirectly) The Transition Advisory Committee established in this legislation is required, in evaluating effective competition in the electricity supply market, to consider, among other factors, the existence of the requisite technical and administrative support that enables small customers to have a choice of electricity supply. (1997 S.B. 390; Section 29(12)(d))
Nevada	A vertically integrated utility is required to take the necessary steps to minimize layoffs and any other adverse effects on its employees resulting from the incipient services of alternative sellers. (1997 Assembly Bill No. 366; Section 47)
New Jersey	If an electric utility is required to functionally separate or divest its generating assets, the affiliate company (functional separation) or unaffiliated company (divestiture) must recognize the existing employee bargaining unit and continue to honor and abide by an existing collective bargaining agreement for the duration of the agreement. In addition, the affiliate company (functional separation) or unaffiliated company (divestiture) must hire its initial employees from among the electric utility's qualified employees and continue their employment on the same terms and conditions as existed prior to the functional separation or divestiture. (1999 Assembly Bill No. 16; Section 11 (b))
Pennsylvania	If facilities will be closed or employee levels reduced, a utility must notify the Commission of the impact of such decisions on local communities, social services, and the tax implications of such actions. The utility is expected to discuss the transition to competition with its employees or their certified representatives and may provide severance, retraining, early retirement, and outplacement services. Such transition costs may be recovered through the competitive transition charge. (1996 H.B. 1509; Section 8202(18))
Rhode Island	(Indirectly) As of 7/1/97, the Commission was required to establish performance standards to ensure that historic levels of safety, reliability, and customer service do not deteriorate during the period in which PBR are implemented (PBR plans will end on 12/31/98) (1996-H 8124B; Section 39-1-27.4)
Virginia	The Commission is authorized to require electric utilities to implement electric energy programs to, among others, educate, retrain, or provide outplacement services for employees of electric utilities whose employment will be directly affected by the transition to retail competition. (1998 H 1172; Preamble)

Phone bill easy target for unauthorized charges

NEW YORK — You know — or should — that your phone number is also your account number at most telephone companies. But have you thought about the risks?

Any phone book yields your name, your effective billing number and address. It is as if your bank had published the numbers of your credit card or bank account.

Your phone bill may show your account number as having extra digits, but in practice those extra digits usually don't count.

Phone-services companies are exploiting this open pipeline to your wallet, by posting unauthorized charges on your telephone bill, says Alan Taylor, chief of the Bureau of Service Evaluation for the Florida Public Service Commission in Tallahassee. It is called "cramming," and here is how it is done:

A company uses your name, address and account number to create a bill for services such as voice mail, paging, or a calling card. A clearinghouse sends the bill to your local telephone company electronically.

When your phone company gets the charge, it automatically puts the charge on your bill, no questions asked.

Because the charge was unauthorized, you can call your local phone company and have it removed. But you have to notice it first.

Thousands of people don't check their phone bills, so they may pay crammers by accident. "It's just the



Jane Bryant Quinn

Staying ahead

Wild West on your phone bill," Taylor says.

One of the crammers was my father, F. Leonard Bryant, 85, who lives in New Jersey. He got a postcard saying, "Welcome to Coral Communications," which had signed him up for monthly voice mail and a telephone calling card.

He had never heard of Coral Communications, based in Boca Raton, Fla. When he phoned to tell the company to get lost, Coral mentioned a sweepstakes, which he knew nothing about.

The next bill from his telephone company, Bell Atlantic, contained a \$10.88 "set-up fee" from Coral's billing company, International Telemedia Associates. He called Bell Atlantic, which told him not to pay.

My dad — sore as a boil — called Coral. It directed him to ITA, which canceled the charge.

Then, guess what came in the mail?

A copy of the form that supposedly authorized his Coral connection. It was a sweepstakes (top prizes, \$25,000 or a car). When you sign the card to enter the contest, you also sign up for phone services (disclosed only in the fine print).

My dad's signature was forged. The printed address wasn't in his hand, either. And his ZIP code was wrong (one thing the phone book doesn't show).

Illinois Attorney General Jim Ryan recently sued Coral and ITA, along with seven other alleged crammers and clearinghouses, for assorted consumer frauds. A similar Missouri lawsuit names Coral and four other firms.

Coral's president, Michael Tinari, says anyone could have forged my dad's signature, and adds, "I've never refused to give anyone money back for any confusion." He said his tactics are "as clean as anyone in the industry."

Richard Gordin of Wiley, Rein & Fielding in Washington, D.C., ITA's attorney, says Coral's material appeared to be proper when ITA requested samples. "We have a disincentive to bill what's fraudulent," he says.

Florida has asked the Federal Communications Commission to require telephone companies to offer you a "billing block." You would be able to tell your phone company, "don't put anyone else's charges on my bill unless I authorize it through a special

PIN (personal identification) number."

"The local phone companies argue that a billing block is too expensive," Taylor says. "But they'll let you block incoming calls, for a price — so why can't you also block who bills you?"

Your phone company, by the way, makes money by handling these bills.

David Swan, a Bell Atlantic vice president, sees no problem with using your phone number as your billing number.

Bell Atlantic has standards for pre-qualifying outside billers, he says. But one of its standards is "no sweepstakes," so how hard is it looking? A company spokesperson says it is now taking the problem more seriously.

Both the FCC and Federal Trade Commission have discussed anti-cramming rules but done nothing so far.

Best advice: (1) Check your telephone bill and call your phone company if you see something fishy. (2) Don't pay for unauthorized charges. (3) Don't fill out sweepstakes postcards displayed in malls, laundromats and other public places, or accept "free gifts" from telephone salespeople. (4) Report cramming to your state attorney general. (5) Tell your phone company to quit fooling around. You want a billing block option, NOW.

NEXT TIME: Fighting phone slamming.

Washington Post Writers Group

HOUSE UTILITIES

DATE: 2-19-99

ATTACHMENT 13