

Approved: February 21, 2001

Date

*Carl D. Holmes*

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:03 a.m. on January 25, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Carl Krehbiel

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

Conferees appearing before the committee: Representative Dennis McKinney

Others attending: See Attached List

**HB 2010 - Ten-year limitation on property tax exemption for property used to generate electricity from renewable resources**

Representative Dennis McKinney, appeared in support of **HB 2010** (Attachment 1). Rep. McKinney explained that this bill had come out of the Interim Committee on Utilities. Rep. McKinney said that having an abatement to help businesses get established is okay, however after a period of time that business should share in the responsibility to help pay for schools, roads, and other local government services. Rep. McKinney responded to questions from the committee.

**Continued Hearing on HB 2034 - Enhanced emergency ("911") telephone service**

Responses to yesterday's questions were provided by Michael Murray (Attachment 2), League of Kansas Municipalities/Kansas Association of Counties (Attachment 3), Major Walter Way of the Johnson County Sheriff's Office (Attachment 4) and the Overland Park Police Department (Attachment 5).

Conferees from yesterday's hearing continued to respond to questions from the committee. Chairman Holmes closed the hearing on **HB 2034** and, due to time constraints, announced that the bill would be worked next week.

In response to a question from the January 23, 2001 meeting, John L. Sommer, Vice President of OneOK, distributed a letter (Attachment 6) regarding the closing of the Bushton Processing Plant.

Chairman Holmes then announced that the committee would hold sub-committee meetings on Wednesday, January 31. The committee would be divided into three sub-committees, chaired by Reps. Holmes, Sloan and McClure. Each sub-committee will discuss energy issues, suggesting bill proposals, and suggesting amendments to those bills already prepared. The sub-committees would then return to the whole committee for any bill introductions.

Meeting adjourned at 10:57 a.m.

Next meeting will be Monday, January 29, 2001.

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 25, 2001

NAME	REPRESENTING
Kim Gulley	LKM
Judy Moler	KAC
WALTER WAY	JOHNSON COUNTY SHERIFF
KEITH FADDIS	OVERLAND PARK POLICE
Pat Lawless	LKM
ROGER BALES	KCPR Consulting
Cindy Lash	Legislative Post Audit
Tim Yonally	Verizon Wireless
Dwaine Gage	Sedgwick County 94
Bob Hamkey	Sedgwick County Public Safety
Mike Pepoon	Sedgwick County
Amy McDonald	KCC - staff
Ashley Shevard	Johnson County
Kelly Kuitala	City of Overland Park
Don Seifert	City of Olathe
John C. Bottenbers	Western Resources
Bruce GRAHAM	KEPCo
Ken Peterson	KPC
Jay Slaves	K.M.P.H. Org. & Mike
Lislie Kaufman	Ks Farm Bureau

# HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: January 25, 2001

NAME	REPRESENTING
Rebecca Reed	KDA
Dane Hathaway	WR.
Rob Holjes	KTIA
John D. Pinegar	Pinegar Smith Co.
Don K Miles	KEC
JC Long	UCU
Moby Murray	Sprint
Richard Lawson	Sprint
Tom Gleason	Independent Telecom Group
Whitney Damron	ONEOK, Inc.



JENNIS MCKINNEY  
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TOPEKA

HOUSE OF  
 REPRESENTATIVES

January 25, 2001

**Testimony to House Utilities Committee  
 House Bill 2010**

Thank you for the opportunity to testify today on HB2010.

House Bill 2010 limits the period of property tax exemption for renewable energy sources to ten years.

This issue came up in my district when a great deal of interest was expressed in wind generation. We were extremely happy to be considered for location of wind generators. Most residents of my area were glad to hear that we had a property tax exemption to help get the generators located in Kansas. But when these people asked "how long are the generators exempt?" and I answered "forever," they were quite taken aback. We tend to have the feeling that an abatement to help a business get established is OK, but after some period of time that business shares a responsibility with the rest of us to help pay for the local schools, roads, and other local government services.

Perhaps there will be another bill come through that to which these provisions could be attached. Also, the committee may want to modify the bill by allowing the county to grant a five year exemption in addition to the 10 year limit contained in the bill. That would allow the county to address a local problem if they saw the need.

Given the incentives other states are offering, and the fact that renewable sources have no "fuel adjustment clause," it is critical that we offer renewable energies a 10 year abatement. But I do not think it is appropriate to grant this type of business an exemption for an infinite time period.

Thank you again for allowing me the opportunity to testify.

ASSISTANT MINORITY CLERK  
 COMMITTEE ASSIGNMENTS  
 TRANSPORTATION  
 CALENDAR & PRINTING  
 ENVIRONMENT  
 SELECT COMMITTEE ON  
 INFORMATION MANAGEMENT

*HOUSE UTILITIES*

DATE: 01-25-01

ATTACHMENT 1

# SPRINT PCS COSTS – E911 PHASE I

## Categories of Costs:

### **I. SCC Non Recurring Fees - cover the following services:**

- PSAP implementation plan
- Collection of PSAP contact, boundary & equipment information
- Collection of LEC E9-1-1 network infrastructure
- Cell coverage overlays
- PSAP boundary mapping
- Coverage area descriptions
- Call routing recommendations
- Call routing validation
- Initial pANI database creation
- Data record placement to E9-1-1 systems
- Network interconnection recommendation
- Network trunking recommendations
- pANI/ESRD assignments
- Selective routing translations per pANI

### **II. SCC Monthly Recurring Fees - cover the following services:**

- Maintain integrity of pANI (ESRD) database
- Update pANI (ESRD) database in response to carrier network changes
- No record found/misroute investigation
- Database discrepancy investigation between ALIs, Selective Routers, etc.
- Error correction
- PSAP problem investigation

### Where SCC SCP services are requested:

- SCC ALI and ALI availability
- Dynamic assignment of ESRKs & provide translations to SRs/ALIs
- MSC translations per pANI
- Monitor & maintain network connectivity between SCP and ALI systems
- Circuit order management
- Tandem SCP hardware & software maintenance and support
- Tandem SCP table maintenance
- SCP to ALI trouble ticket reporting and tracking

### **III. Operation and Transport – covers the following costs:**

- E9-1-1 Phase I implementation overall project management
- Point of contact & ongoing support for PSAP relationships
- Execution and negotiation of PSAP NDAs and contracts
- Compilation & maintenance of documentation for cost recovery justifications
- Participation in PSAP E9-1-1 implementation & planning meetings
- Appearances before Wireless E9-1-1 Boards to present implementation plan, cost recovery, etc.
- Compilation & provision of documentation and/or informational reports as requested
- Development & maintenance of cost recovery billing system and billing processes
- Support & resolution of PSAP billing issues
- Administration of PSAP billing & collection processes & accounting procedures

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ATTACHMENT 2

- Administration & management of cost recovery audits
- Negotiations and maintenance of interconnection agreements for E911
- Ordering and installation of network trunking/circuits for E911
- Testing connectivity, routing, & translations of Phase I data
- Wireless network planning
- Wireless network traffic engineering
- Cell coverage area data collection & pANI assignment
- Communicating network changes to SCC that impact call routing and/or cell sector coverage
- Costs of switch upgrades or patches to enable the provision of E9-1-1 service
- Costs of network trunks/circuits, T-1s or other equipment & software in order to connect & communicate with LECs and/or PSAP equipment, SCPs, & ALIs for the provision of E911
- Non-recurring & monthly recurring connect fees to LEC selective routers or tandems
- LEC pANI database charges
- Develop test plans and perform testing on connectivity & routing for E9-1-1
- Trouble ticket reporting & tracking between cell towers, MSC, & LEC selective router/tandem & between MSC & SCP.



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To: House Utilities Committee  
From: KAC & LKM  
Date: January 25, 2001  
Re: Response to Industry Balloon on HB 2034

We have reviewed the changes to HB 2034 that have been recommended by representatives of the wireless industry. We offer the following comments:

- Cost Recovery (pg. 4). We oppose changing the language from "may" to "shall." This change would constitute a state mandate that costs be recovered rather than reflecting the position of the Task Force which was that the issue of cost recovery should be negotiated between local PSAPs and wireless providers.
- Time Limitation on Development (pg. 6). We are absolutely opposed to establishing any specific time frames for the development of enhanced 911. Such a recommendation ignores the diversity of cities and counties in Kansas and the variation in population across the state. For example, it may take several years for a smaller county with a small population to save the money and develop the appropriate expertise to go forward with enhanced 911. No such time frames were used when the wireline 911 system was developed and no such time frame is warranted with the development of enhanced wireless 911.
- Advisory Board (pg. 6). Both the Kansas Association of Counties and the League of Kansas Municipalities are committed to providing the best possible technical advice to assist local answering points in the development of enhanced wireless 911. We do not believe that the establishment of a board which is solely advisory in nature needs to be established in statute.

Both KAC and LKM stand ready to assist the committee in any way that we can as you work this very important piece of legislation. Thank you in advance for your consideration.

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ATTACHMENT 3

Additional Testimony Of:

Major Walter Way  
Johnson County Sheriff's Office

House Bill 2034

January 25, 2001

Mr. Chairman and Members of the Utilities Committee:

Several Members of the Committee requested additional information from me at the conclusion of yesterday's hearing on HB 2034. In particular, information was requested concerning 9-1-1 tax revenues and expenditures for wired E9-1-1 service as well as explanation of the general purpose of tax fund expenditures. The Committee also requested information on estimated start up costs for enhanced wireless 9-1-1 services that would be incurred by local governments.

I am providing financial data for Johnson, Leavenworth and Wyandotte Counties that was obtained from the Mid-America Regional Council (MARC) which is the coordinating organization for the Kansas City area 9-1-1 system. It should be noted that the MARC data may not include all local 9-1-1 tax fund expenditures made by the three counties for equipment and services that are unique to those counties and that are not cost-shared with the other participating counties in the Kansas City Regional E9-1-1 System. For instance, Wyandotte County expends 9-1-1 tax funds for radio system equipment and other equipment items in its dispatch center that handles 9-1-1 calls.

COUNTY	YEAR	9-1-1 REVENUE	9-1-1 EXPENSES
Johnson	1998	\$800,534	\$517,881
Leavenworth	1998	\$235,225	\$ 84,974
Wyandotte	1998	\$675,834	\$234,777
Johnson	1999	\$805,561	\$517,578
Leavenworth	1999	\$241,226	\$ 85,022
Wyandotte	1999	\$669,917	\$234,637
Johnson	2000*	\$843,950	\$820,257
Leavenworth	2000*	\$238,400	\$135,000
Wyandotte	2000*	\$657,353	\$374,125

\* = Estimated as revenues and invoices for the last quarter of 2000 have not been received.



For FY2001, the total 9-1-1 system budget for the eight (8) County membership region is \$3,776,000. Of that budgeted cost, \$3,389,442 (90%) is for the dedicated telephone network operating costs and equipment upgrades in PSAPs; \$343,540 (9%) is for the coordination fees, database quality control services and center line map project provided by MARC E9-1-1 staff; and \$43,000 (1%) is AT&T Language Line services provided to all 39 PSAPs in the Kansas City Region.

For 2001, the total budget is divided amongst the participating counties by their percentage of the eight county area population as follows:

County	Population	Percent of Metro Population	Share of Total Cost
Johnson	26.26%	440,198	\$991,467
Leavenworth	4.28%	71,766	\$161,640
Wyandotte	9.03%	151,379	\$340,954

Recent studies of the costs for Phase I and Phase II of wireless E9-1-1 implementation in the Kansas City system indicate that costs for the eight County region will be approximately \$4.3 million for Phase II wireless and an additional \$2 million for a regional centerline mapping system to display the location of wireless callers. Those costs would be divided by the percentages of metropolitan population listed above for each county.

4-2

Overland Park Police Department Communications Budget Summary

Personnel costs	
Salaries	832817
Benefits	225580
subtotal	1058397
Operating costs	
Telephone (admin)	70000
Training	17850
Computer Services	72000
Radio Maintenance	270835
Computer Replacement	46900
Utilities	8000
Maintenance	12000
subtotal	497585
total	1555982

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ATTACHMENT 5



January 24, 2001

The Honorable Stan Clark  
Chairman Senate Committee on Utilities  
State Capitol Building

The Honorable Carl Holmes  
Chairman House Utilities Committee  
State Capitol Building

Gentlemen:

At the Joint Utilities Committee meeting held on January 23, 2001, a question was raised by a member of the Committee as to whether the Bushton Processing Plant was going to be shut down, and if so, why.

For the Committee's information, at this time, ONEOK Bushton Processing, Inc. has enough gas committed to the Plant to continue running the Plant and we have no indications that this situation will change.

For the Committee's information, ONEOK Bushton Processing, Inc. is a subsidiary of ONEOK, Inc. ONEOK Bushton Processing, Inc. is not involved in the business of distributing natural gas at the local level. ONEOK, Inc. provides natural gas distribution services through its Kansas Gas Service Company operating division.

If there is any additional information which you would like, please do not hesitate to contact me at (918) 588-7501.

Yours truly,

John L. Sommer  
Vice President

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*HOUSE UTILITIES*  
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ATTACHMENT 6