

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on January 26, 2006 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes' Office
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Bobbi Mariani, Director, LIEAP
Steve Weatherford, President, KHRC

Others in attendance: See attached list

Bill Introduction

Tom Day, legislative liaison, Kansas Corporation Commission requested the introduction of two legislative proposals. The first proposal will allow the Commission to promulgate rules and regulations for the Kansas Underground Utility Damage Prevention Act, KSA Chapter 66, article 18. The second proposal will amend KSA 50-675a, which deals with notification requirements under the Kansas consumer protection act. (Attachment 1)

Moved by Senator Taddiken, seconded by Senator Petersen, introduction of the two legislative proposals from KCC. Motion carried.

Briefing on SRS Energy Assistance

Bobby Mariani, Director of Economic and Employment Services for SRS, explained the Federal program LIEAP, which is administered by SRS, which provides a one-time a year benefit to eligible low-income households to assist them in paying their heating bills. (Attachment 2)

Briefing on Weatherization

Steve Weatherford, president of Kansas Housing Resources Corporation (KHRC), briefed the committee on the Governor's energy efficiency and affordability initiatives. Governor Sebelius presented her WARM (Weatherization, Assistance, Retrofitting and Maintenance) Kansas initiative, supporting the ideas of "energy efficiency and affordability" for low income citizens of Kansas. The initiative included the Attic Insulation Program, the Home Improvement Energy Efficiency Loan Program and utility assistance grants to help low-income Kansans with high energy bills. (Attachment 3)

Paul Johnson, lobbyist, noted more effort should be made to provide weatherization in order to lower the payment on energy bills. More data is needed on the citizens who are in the greatest need of this assistance.

Approval of Minutes

Moved by Senator Reitz, seconded by Senator Apple, minutes for the Senate Utilities meetings held on January 18, 2006, January 19, 2006, January 24, 2006 and January 25, 2006 be approved. Motion carried.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

January 26, 2006

Honorable Jay Emler, Chairman
Senate Utilities Committee
Statehouse, Room 449-N
Topeka, Kansas 66612

Dear Senator Emler:

The Kansas Corporation Commission would respectfully request the Senate Utilities Committee to introduce two proposals for legislation. The first proposal will allow the Commission to promulgate rules and regulations for the Kansas Underground Utility Damage Prevention Act, KSA chapter 66, article 18. The second proposal will amend KSA 50-675a, which deals with notification requirements under the Kansas consumer protection act.

Attached please find the proposed statutory amendments for both proposals.

The Corporation Commission respectfully seeks introduction of the bills through the Senate Utilities Committee. Should you have questions, please feel free to call me at 271-3190.

Thank You,



Thomas A. Day
Legislative Liaison

Senate Utilities Committee
January 26, 2006
Attachment 1-1

Kansas Underground Utility Damage Prevention Act

Article 18, Chapter 66--Rules and Regulations. The commission shall have full power and authority to make and prescribe all necessary and proper rules and regulations for carrying out the provisions of this act.

Kansas Consumer Protection Act

50-675a. Notification requirements concerning consumer protection; rules and regulations of state corporation commission. ~~No later than July 1, 2001,~~ ~~†~~The state corporation commission shall adopt rules and regulations that:

~~(a) — Require all local exchange carriers as defined in 66-1,187(h) to and telecommunications carriers to collectively develop a method or methods for annually provide notifying residential subscribers of their rights and remedies available to them under the Kansas consumer protection act, the telephone consumer protection act and the telemarketing and consumer fraud and abuse prevention act and the availability of the direct marketing association's telephone preference service.~~

~~(b) — Require the information to be provided to residential subscribers in subsection (a) to specify, at a minimum, the following with information on the Kansas and national do not call registries: At a minimum, the information should inform consumers of The method of consumers may use to registering with the telephone preference service, advise consumers that there is at no cost to the subscribers; the frequency with which the telephone solicitors are required to download the registry, data base maintained by the telephone preference service is updated; the types of calls that are still permitted after registering registered subscribers should still expect to receive; the measures subscribers must take to register if they move or receive a new telephone number; the duration for registration and the procedures for registration renewals; and the remedies available to registered subscribers if they receive unsolicited consumer telephone calls pursuant to K.S.A. 2004 Supp. 50-670, after registering. For the purposes of this section, the notification requirements will be satisfied by including the information in each issue of the telephone directory covering areas served by the local exchange carriers.~~

~~(c) — Establish guidelines for acceptable methods to inform all telephone solicitors in Kansas of: The requirements for membership in the direct marketing association; charges for members and nonmembers of the direct marketing association to access the data base of the telephone preference service; and options available to telephone solicitors for accessing Kansas-specific portions of the data base.~~

Kansas Department of

Social and Rehabilitation Services

Gary Daniels, Secretary

Senate Committee on Utilities

January 26, 2006

LIEAP Briefing

Integrated Service Delivery

Bobbi Mariani, Director

785-296-6750

For additional information contact:
Public and Governmental Services Division
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Senate Utilities Committee
January 26, 2006
Attachment 2-1

**Kansas Department of Social and Rehabilitation Services
Gary Daniels, Secretary**

Senate Committee on Utilities
January 26, 2006

LIEAP Briefing

Mr. Chairman and members of the Committee, thank you for the opportunity to brief you on the Low Income Energy Assistance Program (LIEAP). My name is Bobbi Mariani, Director of Economic and Employment Services for the Department of Social and Rehabilitation Services. LIEAP is a Federal program administered by SRS that provides a one-time a year benefit to eligible low-income households to assist them in paying their heating bill.

Federal LIEAP Block Grant funds distributed through a national allocation formula provide the bulk of funding for this program. Emergency/Contingency funds released at the discretion of the President are also utilized. Since the program began in 1982, Federal funding nationwide has increased from \$1.8 billion to last year's \$2.18 billion level. Federal Block Grant funding for 2006 is \$1.98 billion with an additional appropriation of \$201 million in Emergency/Contingency funds. Kansas received \$16.7 million in Block Grant funding and almost \$1 million of the \$100 million in Emergency/Contingency funding released to date by the President. SRS transfers 15 percent of the Block Grant funds to the Kansas Housing Resources Corporation for their Weatherization Program. This year that transfer will be just over \$2.5 million. For 2007, Governor Sebelius has proposed an additional \$1 million in State funds to supplement the Federal funding.

The LIEAP program in Kansas provides a benefit to any Kansas household submitting an application from mid-January through the last business day of March who meets established eligibility criteria. The basic criteria include: 1) The heating utility has to be in the name of an adult household member, 2) The household must meet a self-payment requirement, 3) The combined gross income of the household must be at or below 130% of the Federal Poverty level, 4) The household must meet citizenship or lawful residency requirements and 5) The household must provide appropriate documentation with their application.

The attached table provides you with annual data specific to Kansas since 2001. During the period from 2001 - 2005, approved applications increased an average of 11.35 percent annually rising from 28,027 to 42,291. In the same period, the average benefit provided to a low-income Kansas household fell from \$467 to \$308 for an overall decline of just over 34 percent. This decline occurred at an average of 8.1 percent per year. The decline in average benefit can be directly tied to level funding of the Federal program while the demand by low-income Kansans has risen over the past few years.

I would like to thank the committee for this opportunity to provide this update on the LIEAP program and I am available to respond to questions.

2-2

KANSAS  **HOUSING**
RESOURCES CORPORATION

**TESTIMONY OF KANSAS HOUSING RESOURCES CORPORATION
TO THE SENATE UTILITIES COMMITTEE
PRESENTED BY KHRC PRESIDENT STEPHEN R. WEATHERFORD
JANUARY 26, 2006**

Mister Chairman and Honorable Members of the Committee, Kansas Housing Resources Corporation (KHRC) appreciates the opportunity to testify before you concerning the Governor's energy efficiency and affordability initiatives.

The State of Kansas and its citizens are facing challenging economic times, further intensified by the sharp rise of energy costs. It is imperative that resources be identified and innovative solutions be implemented to meet the needs of our citizens and strengthen the Kansas economy.

Governor's WARM Kansas Initiative

Earlier this month, Governor Kathleen Sebelius presented her WARM (Weatherization Assistance, Retrofitting and Maintenance) Kansas initiative, supporting the ideas of "energy efficiency and affordability" for the low-income citizens of Kansas. The initiative included the Attic Insulation Program, the Home Improvement Energy Efficiency Loan Program, and utility assistance grants to help low-income Kansans with high energy bills.

Attic Insulation Program

The Governor has included in her budget request \$2 million for the Attic Insulation Program, which will focus upon installation of attic insulation in low-income housing units across Kansas. The intent of this program is to reduce the cooling/heating costs of the home, allowing low-income individuals and families to use the savings for other critical needs. Local Weatherization Assistance Programs will be responsible for implementing this project.

The Kansas Weatherization Program utilizes federal funds to make repairs to low-income families' homes that will lower their energy use and make their homes safer, more affordable, and more comfortable. The program serves families at or below 60 percent of the state median income. Eight agencies in nine areas of the state operate weatherization programs (see

attachments). Each agency recruits and processes applications for service, determines eligibility, and conducts home inspections to determine the needs of each home. Then the agency either performs the needed work or contracts it locally. Kansas Housing Resources Corporation monitors sub-grantee administration of the funds as well as conducts quality control reviews of the completed work.

Currently, 1,528 families are on waiting lists for weatherization, and it is estimated it will take up to three years to address these needs, using federal funding alone. Having a waiting list in each of the weatherization service areas makes a strong statement for the popularity of this program, but this also highlights the essential role of the program in helping Kansans in need. Leveraging the existing federal funding for weatherization with the Attic Insulation Program will allow whole-house weatherization for more than 2,000 homes across Kansas in one year, averaging 20 percent in energy savings that extends up to ten years.

Home Improvements Energy Efficiency Loan Program

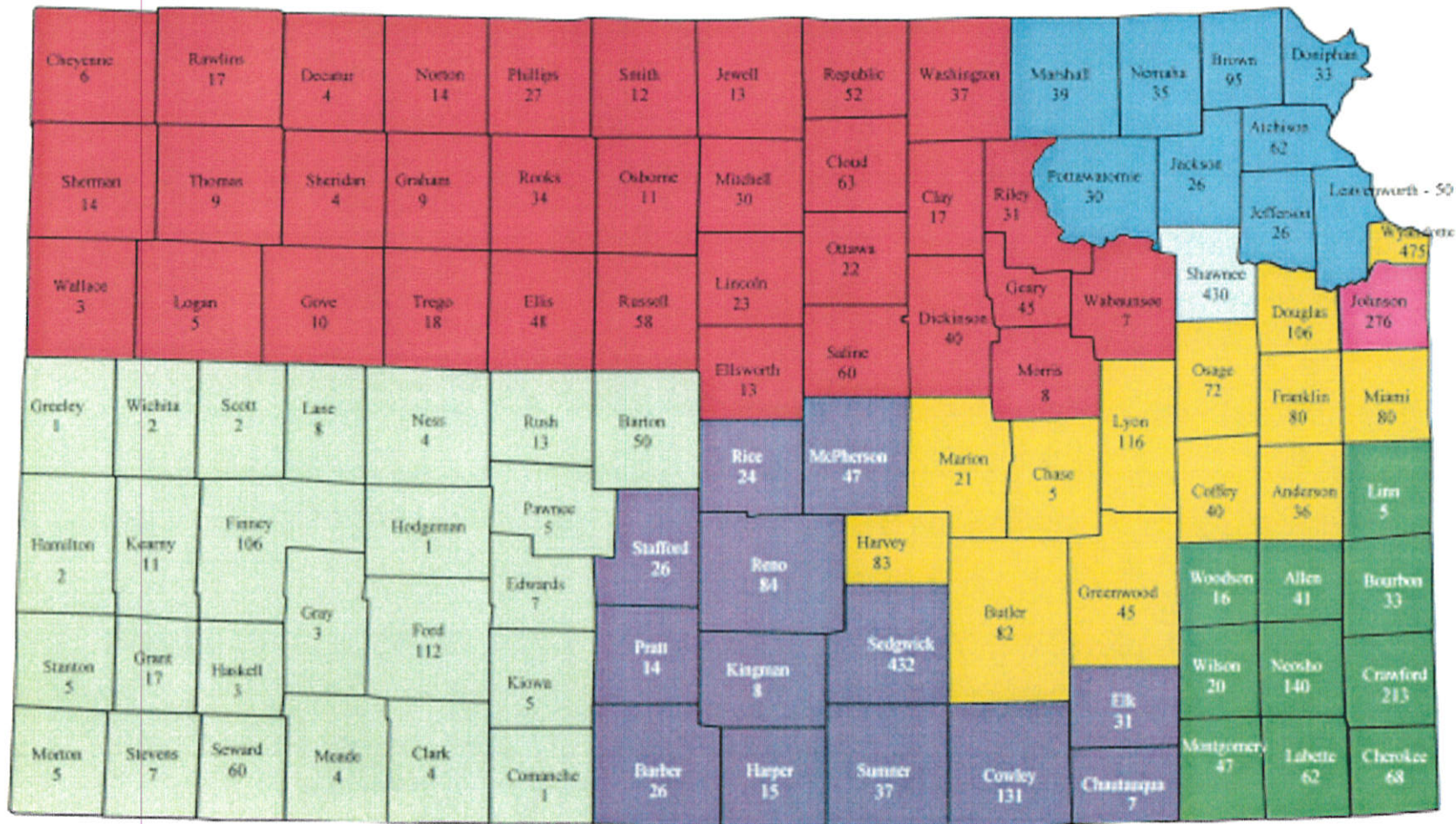
The Governor proposed \$2 million for the Home Improvements Energy Efficiency Loan Program, which will provide low interest loans to Kansans whose family income is at or below 80 percent of the median income for their community. KHRC is working with lenders to implement this program. The program's goal is to enable homeowners to make energy efficiency home improvements. Through this program, individuals will apply through participating lenders, and KHRC will fund half of the loaned amount, up to a maximum of \$7,500 from this revolving loan fund. Improvements may be made to heating and cooling units, ducts, doors, water heaters, and windows. Insulation may be added, and the home can be better sealed against the weather for more energy efficiency.

Conclusion

The Kansas Housing Resources Corporation believes that the Governor's initiatives are beneficial programs. They are of great value to the State and its citizens. These programs generate safer, more affordable, and more comfortable housing for the citizens of Kansas.

Thank you very much for your consideration in taking these important issues to the Senate floor.

Homes Weatherized by Kansas Weatherization Assistance Program, Apr. 2002-Dec. 2005



- Northeast Kansas Community Action Program
- North Central Regional Planning Commission
- Harvest America Corporation
- Southeast Kansas Community Action Program
- South Central Kansas Economic Development District
- East Central Kansas Economic Opportunity Corp. & Harvest America Corp.
- Johnson County Human Services & Aging
- Community Action, Inc.

**KANSAS WEATHERIZATION ASSISTANCE PROGRAM
LOCAL SUB-GRANTEE AGENCIES**

ECKAN

East Central Kansas Economic Opportunity Corporation
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Don Hobbs, Weatherization Director
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HAC-WY

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Dan Shandy, Weatherization Director
Nancy Esquivel-Gomez, Housing Coordinator
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EMAIL ADDRESS: dshandy@harvestamerica.org

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Northeast Kansas Community Action Program, Inc.
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Gary Daily, Weatherization Director
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NCRPC

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Connie Cyr, Housing Director
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SCKEDD

South Central KS Economic Development District
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Michael West, Weatherization Director
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JOCO

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