

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on March 7, 2006 in Room 526-S of the Capitol.

Committee members absent: Mark Taddiken, excused

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
Leann Hershfeld, Intern to Senator Emler

Conferees appearing before the committee:
Mark Schreiber, Westar

Others in attendance: See attached list

Chair announced that he had received a request for consideration of rolling **HB 2349** into **HB 2927**. He has contacted Chairman Huelskamp of the Senate Elections & Local Government Committee where **HB 2349** is assigned and also the League of Kansas Municipalities who opposed the bill, advising them of the request.

Chair opened the hearing on
HB 2927 - Effective date of certain municipal franchise fees in annexed areas.

Proponents:

Mark Schreiber, manager Government Affairs, Westar Energy, spoke in favor of **HB 2927** and indicated this bill is also supported by Midwest Energy, Kansas City Power and Light, Kansas Gas Service and Aquila. (Attachment 1)

Discussion was held with Westar and League of Kansas Municipalities on the possibility of rolling **HB 2349** into **HB 2927**. Revisor indicated the two bills were germane. Objections were voiced on taking action.

Chair closed the hearing on **HB 2927**.

Moved by Senator Apple, seconded by Senator Lee, **HB 2927** be passed out favorably. Motion carried.

Approval of Minutes

Moved by Senator Francisco, seconded by Senator Reitz, the minutes of the meeting of the Senate Utilities Committee held on March 2, 2006 be approved. Motion carried.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachment - 1

**Testimony on HB 2927 before the
Senate Utilities Committee**

By

Mark Schreiber, Manager Government Affairs

Westar Energy

March 7, 2006

Chairman Emler and members of the committees, I am Mark Schreiber, manager government affairs for Westar Energy. Westar Energy supports House Bill 2927 along with Midwest Energy, Kansas City Power and Light, Kansas Gas Service and Aquila.

House Bill 2927 provides for a defined starting point for the collection of municipal franchise fees by the electric or gas utility for an annexed area. Currently, cities are not required to notify utilities of the annexation of property. It is not uncommon for cities to notify a utility several months after an annexation and request payment for franchise fees from the annexed residents beginning at the time of annexation. Often it is too costly to re-bill the annexed residents, which means the utilities end up paying the additional franchise fees.

Westar Energy and the aforementioned utilities support this bill because it provides certainty of notification of annexed property and when franchise fees in an annexed area are to be collected. Thank you for the opportunity to present this testimony. I will be glad to answer questions at the appropriate time.

**Senate Utilities Committee
March 7, 2006
Attachment 1-1**