

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:15 A.M. on March 12, 2008 in Room 783 of the Docking State Office Building.

All members were present except:

Richard Proehl-excused
Cindy Neighbor-excused

Committee staff present:

Mary Galligan, Kansas Legislative Research
Carol Toland, Kansas Legislative Research
Mary Torrence, Revisor's Office
Melissa Doeblin, Revisor's Office
Renaë Hansen, Committee Administrative Assistant

Conferees appearing before the committee:

Kimberly Winn, Kansas League of Municipalities

Others attending:

Twenty including the attached list.

Hearing on:

SB 526-Distribution of moneys from E-911 fees.

Proponents:

Kimberly Winn, Kansas League of Municipalities, (Attachment 1), spoke in favor of **SB 526** noting that this bill gives them the authority to use some unused funds to make different municipalities Phase II compliant.

Questions were asked and comments made by Representative: Vern Swanson, and Terry McLachlan.

The hearing was closed on **SB 526**.

Hearing on:

SB 614-Response by public entity to Kansas electric transmission authority intent to construct shall be on or before 90 days following publication of notice in Kansas register.

Mary Galligan, Kansas Legislative Research, explained **SB 614** to the committee. She noted that the bill would specify that the publication of a notice in the Kansas Register would start the trigger on the clock for the 90 days given to any public or private entity to step forward to work on the transmission project.

Questions were asked and comments made by Representatives: Margaret Long, Tom Sloan, and Terry McLachlan.

Representative Annie Kuether and Carl Holmes helped to answer questions asked by the committee.

The hearing was closed on **SB 614**.

Discussion on:

SB 614-Response by public entity to Kansas electric transmission authority intent to construct shall be on or before 90 days following publication of notice in Kansas register.

Representative Rob Olson moved to pass out SB 614 favorable and put on consent calendar, seconded by Representative Terry McLachlan. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:15 A.M. on March 12, 2008 in Room 783 of the Docking State Office Building.

Discussion on

SB 526-Distribution of moneys from E-911 fees

Representative Rob Olson move pass out of the committee SB 526 and put it on consent calendar, seconded by Representative Terry McLachlan. Motion carried.

Discussion on:

SB 555-Notice for customers of certain utilities of proposed rate increases by such utilities, CURB intervention in such rate increase proceedings subject to deadline.

Representative Tom Sloan presented a balloon amendment, (Attachment 2), noting where he made changes on **SB 555**.

Representative Tom Sloan moved adoption of the language of page one of the balloon, (Attachment 2), for SB 555, seconded by Representative Annie Kuether.

Discussion ensued by Representatives: Annie Kuether, Tom Moxley, Carl Holmes, Tom Sloan, Terry McLachlan, Peggy Mast, Don Myers, Oletha Faust-Goudeau, Rocky Fund and Vaughn Flora.

Motion to amend SB 555 passed.

Representative Tom Sloan explained to the committee page 2 of his proposed amendment (Attachment 2).

Discussion ensued between Representatives: Rob Olson, Josh Svaty, Annie Kuether, Tom Hawk, Dan Johnson, and Tom Sloan.

Representative Tom Sloan moved to recommend passage of SB 555 as amended on page one (Attachment 2), seconded by Representative Annie Kuether. Motion Carried.

Representative Rocky Fund will carry **SB 555** on the House floor.

Discussion on:

SB 580-Establishing the weatherization assistance program account of the state housing trust fund, providing annual transfer from state general fund.

Representative Tom Sloan presented proposed amendments (Attachment 3) to **SB 580**.

Representative Tom Sloan responded to questions by Representatives: Rob Olson, Don Myers, and Tom Moxley.

Representative Tom Sloan moved to adopt part A of the balloon (Attachment 3) whereby 15% would be changed to 25% in SB 580, seconded by Representative Vaughn Flora.

Discussion ensued between Representatives: Margaret Long, Tom Sloan, Vaughn Flora, Tom Hawk, Don Myers, Oletha Faust-Goudeau, Forrest Knox, and Rob Olson.

Motion to amend carried.

CONTINUATION SHEET

MINUTES OF THE House Energy and Utilities Committee at 9:15 A.M. on March 12, 2008 in Room 783 of the Docking State Office Building.

Representative Tom Sloan moved part C of the balloon for SB 580 (Attachment 3), seconded by Representative Vaughn Flora.

Discussion ensued between Representatives: Forrest Knox, Tom Sloan, and Oletha Faust-Goudeau.

Motion to amend passed.

Representative Annie Kuether moved to amend (Attachment 4), seconded by Representative Margaret Long. Motion to amend carried.

Representative Vaughn Flora moved the balloon (Attachment 3) part b, seconded by Representative Tom Hawk.

Discussion ensued between Representatives: Vern Swanson, Tom Sloan, Rob Olson, Vaughn Flora, Carl Holmes, Vern Swanson, Tom Hawk, and Peggy Mast.

Mary Torrence, Kansas Research Staff, and Tom Day, KCC, helped to respond to questions.

Representative Josh Svaty called the question.

The motion to amend failed unanimously.

Tom Hawk moved part B with the following changes each electric and natural gas public utility, as defined in K.S.A. 66-104, and amendments thereto, shall contribute, on an annual basis beginning July 1, 2008, and ending on July 1, 2010, an amount equal to 5% of the annualized uncollectible debt included in their most recent rate case”, seconded by Representative Vaughn Flora.

Representative Josh Svaty commented on the motion.

Motion to amend failed.

Representative Annie Kuether moved to pass out the amended SB580 favorably to the House floor, seconded by Representative Terry McLachlan. Motion passed.

Representative Tom Sloan will carry **SB 580** on the House floor.

The next meeting is scheduled for March 13, 2008.

The meeting was adjourned at 10:51 a.m.



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Topeka, KS 66603
(785) 354-9565



300 SW 8th, 3rd Floor
Topeka, KS 66603
(785) 272-2585

To: House Energy and Utilities Committee
From: Kimberly Winn, LKM
Judy Moler, KAC
Date: March 12, 2008
Re: Support for SB 526

On behalf of our member cities and counties, we thank you for consideration of this legislation and for the opportunity to share our comments.

As most of you know, the League of Kansas Municipalities and the Kansas Association of Counties jointly serve as the Local Collection Point Administrator for the local enhanced wireless 911 fees. In this capacity, we work with local Public Safety Answering Points (PSAPs) regarding their use of this fee which was established in order to bring enhanced wireless 911 to Kansas. Prior to passage of the enhanced wireless 911 bill, only 5 PSAPs had the capability of locating persons calling from wireless communication devices (Phase II compliant). The latest figures that we have indicate that all but 12 of the 115 PSAPs in Kansas are Phase II compliant (or Phase I and moving toward Phase II). See the attached map for details on the location of those PSAPs.

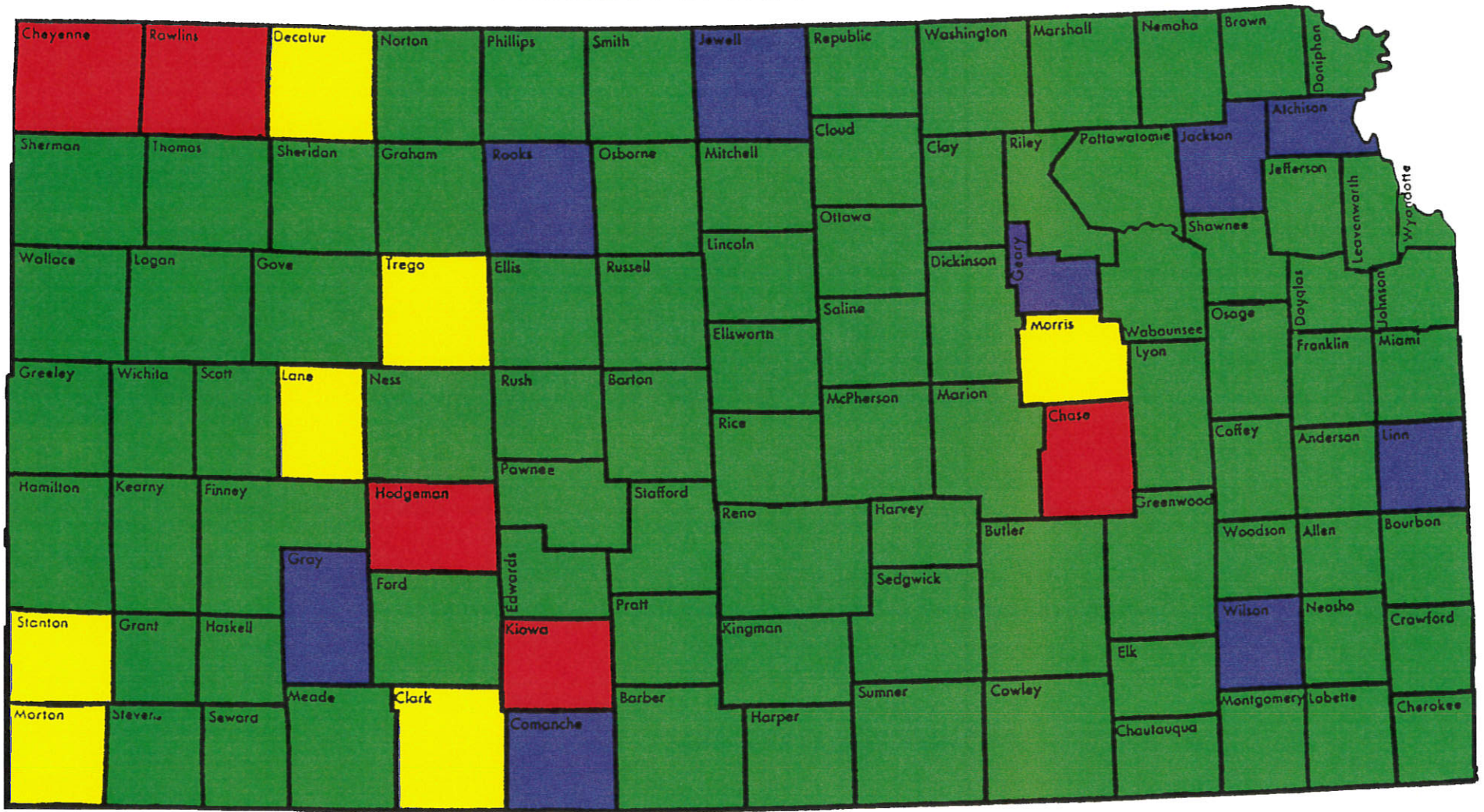
The enhanced wireless 911 Act requires us to collect the local fees and distribute them to PSAPs based on zip + 4 data provided by the wireless carriers. Over the years, however, there has grown a very small pot of monies which cannot be distributed because the zip +4 information provided by the wireless companies is from out of state. Most likely, these are individuals that have chosen to have a Kansas area code, but the bill goes to another location (and they have failed to designate any other "primary place of use.") This fund currently stands at approximately \$58,000 and about \$800 gets added each month.

The PSAPs that remain are very small and many have told us that they are not even sure what questions to ask to begin the process of becoming Phase II compliant. We have asked for this minor amendment to the enhanced wireless 911 act in order to allow us to specifically assist those communities that are having the most difficulty in getting themselves up and running. It would be our intention to use these funds to offer specialized one-on-one trainings so that these PSAPs could properly assess their current status and what they need to do in order to become Phase II compliant.

Again, thank you for consideration of this bill. We would be happy to stand for questions at the appropriate time.

HOUSE ENERGY AND UTILITIES
DATE: 3/12/2008
ATTACHMENT 1-1

SERVICE BY COUNTY



SERVICE AS REPORTED BY PSAPs AS OF NOVEMBER 2007

■ BASIC	BASIC
■ ENHANCED	ENHANCED
■ PHASE I	PHASE I
■ PHASE II	PHASE II

SENATE BILL No. 555

By Committee on Utilities

2-5

10 AN ACT concerning rate increases for certain **water** utilities under the
11 jurisdiction of the state corporation commission; relating to notice to
12 customers of such utilities; concerning the citizens' utility ratepayer
13 board.

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

16 Section 1. ~~(a) Each electric, gas, telephone or water utility over~~
17 ~~which the state corporation commission has jurisdiction which applies for~~
18 ~~an increase in tariffs or charges~~ **a major increase in rates or charges**
19 ~~shall provide a notice of such proposed tariff or charge increase~~ **major**
20 **increase in rates or charges** including, but not limited to, a comparison
21 of current and proposed rates and a description of the cost increase for
22 a typical customer. Such notice shall be in boldface type and in no smaller
23 print than 8-point type and shall be included as a bill insert **or bill mes-**
24 **sage** in the customer's ensuing monthly bill, following the application and
25 shall include a contact telephone number the customer may call to receive
26 additional information concerning the rate increase from the utility pro-
27 posing such increase **and a website address for the state corporation**
28 **commission**.

an

due to capitol improvements, rate of return or cost of service

, or a separate mailing notifying customers,

with information about how a customer may intervene at the
commission's rate hearing

29 ~~(b) The state corporation commission shall report to the citizens' util-~~
30 ~~ity ratepayer board each application for an~~ **a major** ~~increase in tariffs~~
31 ~~rates or charges by each electric, gas, telephone or water utility over~~
32 ~~which the state corporation commission has jurisdiction within seven days~~
33 ~~of receipt of such application by the state corporation commission.~~

34 ~~(c) The citizens' utility ratepayer board shall inform such electric, gas,~~
35 ~~telephone or water utility~~ **and the state corporation commission** ~~in~~
36 ~~writing whether such board intends to intervene in the rate hearing con-~~
37 ~~ducted by the state corporation commission not less~~ **more** ~~than 30 days~~
38 ~~following the receipt of notice of application for a major rate increase~~
39 ~~from the state corporation commission.~~ **increase in rates or charges.**
40 **The state corporation commission shall post on its website whether**
41 **or not the citizens' utility ratepayer board intends to intervene.**

42 ~~(d) As used in this section, "a major increase in rates or charges"~~
43 ~~means:~~

HOUSE ENERGY AND UTILITIES
DATE: 3/12/2008
ATTACHMENT 2-1

2-2

- 1 ~~(1) The application relates to a general increase in revenues for~~
- 2 ~~the purpose of obtaining an alleged fair rate of return;~~
- 3 ~~(2) material changes in operations, facilities or cost of service~~
- 4 ~~occur subsequent to the test year employed in any major rate de-~~
- 5 ~~cision, except for proposals that are for the sole purpose of compen-~~
- 6 ~~sating for the increased production or purchase cost of a principal~~
- 7 ~~product; or~~
- 8 ~~(3) the application for a major increase in rates or charges will,~~
- 9 ~~in the opinion of the state corporation commission, materially affect~~
- 10 ~~the public interest if it is granted.~~

11 Sec. 2. [^]This act shall take effect and be in force from and after its
 12 publication in the statute book.

(a) Public wholesale water supply districts shall acquire access to water rights for which the point of diversion is located outside the boundaries of the members of that public wholesale water supply district only through purchase, easement, gift or another voluntary conveyance by a landowner.

(b) Each public wholesale water supply district may purchase or receive, as a gift or through another voluntary conveyance by a landowner, existing water rights for which the point of diversion is located outside the boundaries of the members of that public wholesale water supply district from a willing seller or donor, or upon an approved application from the division of water resources in the Kansas department of agriculture, subject to landowners providing access as described in subsection (a).

Section 3.

2-2

SENATE BILL No. 580

By Committee on Utilities

2-7

10 AN ACT relating to housing; establishing the weatherization assistance
11 program account within the state housing trust fund; relating to the
12 transfer of funds in the state general fund to the weatherization assis-
13 tance program account; amending K.S.A. 2007 Supp. 74-8959 and re-
14 pealing the existing section.

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

16 Section 1. K.S.A. 2007 Supp. 74-8959 is hereby amended to read as
17 follows: 74-8959. (a) (1) There is hereby established in the state treasury
18 the state housing trust fund. All moneys credited to the state housing
19 trust fund shall be used for the purposes of housing programs and services
20 including, but not limited to, the provision of financial programs for the
21 repair, rehabilitation and improvement of existing residential housing,
22 accessibility modifications, rental subsidies, the provision of housing serv-
23 ices and assistance to persons having low or moderate income and disa-
24 bled persons and costs and expenditures incurred in implementing K.S.A.
25 58-4217 through 58-4224, and amendments thereto, of the Kansas man-
26 ufactured housing act.

27 (2) There is hereby created the weatherization assistance program
28 account within the state housing trust fund. All moneys credited to the
29 weatherization assistance program account shall be used to fund grants
30 under the weatherization assistance program to increase housing energy
31 efficiency. On July 1, 2008, and each July 1 thereafter, the director of
accounts and reports shall transfer \$2,000,000 from the state general fund
to the weatherization assistance program account of the state housing
trust fund. Subject to the provisions of federal law, for the fiscal year
ending June 30, 2009, and each ensuing fiscal year, the head of the
agency receiving the low income energy assistance block grant shall
transfer 15% of any emergency or supplemental federal appropri-
ations for such block grant to the weatherization assistance pro-
gram account.

(b) The state housing trust fund shall be administered by the division
of housing in the Kansas development finance authority.

(c) The division of housing and the Kansas development finance au-

(A)

25%

(B) Each public utility, as defined in K.S.A. 66-104, and amendments
thereto, shall contribute, on an annual basis beginning July 1, 2008, an
amount equal to 50% of the uncollectible debt included in their most
recent rate case.
(C) Persons eligible to receive assistance from the weatherization
assistance program must be current in their utility bills, or current in a
commission approved payment schedule.

House Energy & Utilities
3/12/08
Attachment 3-1

HOUSE ENERGY AND UTILITIES
DATE: 3/12/2008
ATTACHMENT 3-1

1 thority are hereby authorized to apply for and receive available public or
2 private grants, gifts and donations for the purposes of housing programs
3 and services. All such grants, gifts and donations shall be remitted to the
4 division of housing in the Kansas development finance authority.

5 (d) On or before the 10th of each month, the director of accounts
6 and reports shall transfer from the state general fund to the state housing
7 trust fund interest earnings based on:

8 (1) The average daily balance of moneys in the state housing trust
9 fund for the preceding month; and

10 (2) the net earnings rate for the pooled money investment portfolio
11 for the preceding month.

12 Sec. 2. K.S.A. 2007 Supp. 74-8959 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.

SENATE BILL No. 580

By Committee on Utilities

2-7

HOUSE ENERGY AND UTILITIES
DATE: 3/12/2008
ATTACHMENT 4-1

10 AN ACT relating to housing; establishing the weatherization assistance
11 program account within the state housing trust fund; relating to the
12 transfer of funds in the state general fund to the weatherization assis-
13 tance program account; amending K.S.A. 2007 Supp. 74-8959 and re-
14 pealing the existing section.

15
16 *Be it enacted by the Legislature of the State of Kansas:*

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18 follows: 74-8959. (a) (1) There is hereby established in the state treasury
19 the state housing trust fund. All moneys credited to the state housing
20 trust fund shall be used for the purposes of housing programs and services
21 including, but not limited to, the provision of financial programs for the
22 repair, rehabilitation and improvement of existing residential housing,
23 accessibility modifications, rental subsidies, the provision of housing serv-
24 ices and assistance to persons having low or moderate income and dis-
25 abled persons and costs and expenditures incurred in implementing K.S.A.
26 58-4217 through 58-4224, and amendments thereto, of the Kansas man-
27 ufactured housing act.

28 (2) *There is hereby created the weatherization assistance program*
29 *account within the state housing trust fund. All moneys credited to the*
30 *weatherization assistance program account shall be used to fund grants*
31 *under the weatherization assistance program to increase housing energy*
32 *efficiency. On July 1, 2008, and each July 1 thereafter, the director of*
33 *accounts and reports shall transfer \$2,000,000 from the state general fund*
34 *to the weatherization assistance program account of the state housing*
35 *trust fund. Subject to the provisions of federal law, for the fiscal year*
36 *ending June 30, 2009, and each ensuing fiscal year, the head of the*
37 *agency receiving the low income energy assistance block grant shall*
38 *transfer 15% of any emergency or supplemental federal appropri-*
39 *ations for such block grant to the weatherization assistance pro-*
40 *gram account.*

41 (b) The state housing trust fund shall be administered by the division
42 of housing in the Kansas development finance authority.

43 (c) The division of housing and the Kansas development finance au-

(3) The head of the agency administering the weatherization assistance program shall submit an annual accountability report to the senate committee on utilities and the house committee on energy and utilities, or their successors, on or before the first day of the 2009 regular session of the legislature, and on or before the first day of each ensuing regular session of the legislature through 2011. The report shall include, but not be limited to, the following:
(A) The number of homes weatherized by each sub-grantee of the weatherization assistance program, and whether those homes were owner-occupied or rental properties;
(B) whether actual utility usage was factored into the scoring that determined whether to grant assistance;
(C) whether each county in the state has a waiting list for the weatherization assistance program, and the number on those waiting lists; and
(D) the progress each sub-grantee has made in working with local utilities to identify applicants' homes with the highest usage, using the customer billing information waiver in the application for assistance.

1 thority are hereby authorized to apply for and receive available public or
2 private grants, gifts and donations for the purposes of housing programs
3 and services. All such grants, gifts and donations shall be remitted to the
4 division of housing in the Kansas development finance authority.

5 (d) On or before the 10th of each month, the director of accounts
6 and reports shall transfer from the state general fund to the state housing
7 trust fund interest earnings based on:

8 (1) The average daily balance of moneys in the state housing trust
9 fund for the preceding month; and

10 (2) the net earnings rate for the pooled money investment portfolio
11 for the preceding month.

12 Sec. 2. K.S.A. 2007 Supp. 74-8959 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.

4-2