

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

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

All members were present except:

Dan Johnson- excused
Judy Morrison-excused

Committee staff present:

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

Conferees appearing before the committee:

Lisa Hoops, Legislative Post Audit
Brad Williams, Kan-Ed Director
Ivan Williams, Legislative Post Audit

Others attending:

Forty five including those that signed the register.

Representative Annie Kuether moved to introduce a bill involving net metering for solar energy with a possibility to add wind generation, seconded by Representative Tom Hawk. Motion carried.

Chairman Holmes put a challenge to the committee to guess what the gas price would be at 6th and Quincy downtown on February 1st.

Chairman Holmes talked about his international trips to Canada and China.

Mary Torrence, Kansas State Revisor, introduced Melissa Doeblin as the committees' new revisor.

Lisa Hoops, Legislative Post Audit spoke to the committee on Kan-Ed. (See Kansas Legislative Post Audit, for this report) She noted that funding from Kansas Universal Service fund will increasingly be reduced from the universal service fund and by June 2009 all funding will come from the State General Fund. The post audit report reveals the number of people served and number of direct and indirect access lines available through this program. Specific details of usage and non-usage of the internet as well as details of specific equipment purchased with the Kan-Ed dollars were also included in the report. Additionally, percentage of bandwidth usage was estimated. They did some estimated projections of future higher use, and whether the current budget of Kan-Ed can meet those projected demands. In only 2 of the 4 scenarios presented were there enough current funds available. They gave four recommendations: 1. To ensure that grant moneys are used effectively with spot checks periodically to make sure proper procedures are being followed. 2. Making sure that marketing efforts have the best chance of convincing members to become fully connected to the network. 3. Determining the correct portion of grant funds that will be allocated to Internet subsidies and grants designed to help members connect to the Kan-ed network. And 4. To verify that more money is not spent on band-width than is necessary.

Questions were asked and comments made by Representatives: Annie Kuether, Tom Sloan, and Peggy Mast.

Brad Williams the new Kan-Ed director, as of May 22, 2007, helped answer some of the questions. He talked about how they might move to the next level of better grant management to more effectively connect members. Their funds will not have to be used to fund the backbone of the service but the connectivity for members. T1 access to all Kan-Ed members will be an upcoming service. 50% of their fixed costs include local salaries as well.

Lisa Hoops, Legislative Post Audit, spoke to the committee on Wireless Enhanced 911. (See Kansas Legislative Post Audit, for this report) She explained how the grant programs are distributed with funds being

CONTINUATION SHEET

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eligible to all counties except the largest five by population. The report focuses on three questions asked by the Post Audit Committee. She noted that approximately 83% of Kansas is served by this service. It was noted that basically grant funds are being spent appropriately for this program. The report noted that the grant fund money will dry up for PSAP's with an estimated 17 million dollars being distributed to all areas by population. After 2010 fees will be changed; 2008 will see a revision of this audit, adding VOiP to the audit mix.

No questions were asked.

Ivan Williams, Legislative Post Audit, spoke to the committee on a Kansas Corporation Commission report. (See Kansas Legislative Post Audit to see this report.) Two questions were answered by this report. The report reviews the number of informal and formal complaints answered by the Commission and how these complaints are handled by the KCC. The KCC responded to about 4 questions per day informally in 2008, and they handled approximately 25 formal complaints in 2007. The report analyzes the percentage of the complaints received by the KCC that are resolved in favor of the consumer.

Questions were asked by Representatives: Vern Swanson, Tom Moxley, Oletha Faust-Goudeau, Forrest Knox, and Carl Holmes.

Susan Duffy, Executive Director of KCC, noted that if someone has an issue with a co-op or other entities not under their jurisdiction, they give them a resource of where to get an answer to their questions and concerns. It was noted that when someone calls them they are referred to the utility in question first before the KCC will address the problem. After regular business hours, the consumer hears a recording asking them to call their utility first if they have not done so. Ms. Duffy noted that she would get back to the committee on the scenario when funds are returned to consumers but not for legitimate reasons and how that is funded through the utilities companies. She noted she would let the committee know if that becomes part of the next rate base case.

Committee Rules were handed out for members ([Attachment 1](#)) and conferees ([Attachment 2](#)).

The next meeting is scheduled for January 16, 2008.

The meeting was adjourned at 10: 25 a.m.