

Approved: March 28, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on February 6, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Gene O'Brien

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Representative Tom Sloan
Kim Wilcox, Kansas Board of Regents
Chris Giles, Kansas City Power & Light
Mike Taylor, City of Wichita
Rob Hodges, Kansas Telecommunications Industry Association
Dave Arnold, Kansas Gas Service
Diana Thurman, Westar Energy
Kim Gulley, League of Kansas Municipalities
John J. Federico, Kansas Cable Telecommunications Association
Ron Appletoft, Water District No. 1 of Johnson County

Others attending: See Attached List

HB 2645 - Rounding up of customers electric, natural gas, water, telephone, cable and internet bills; disposition of revenue

Representative Tom Sloan testified in support of **HB 2645 (Attachment 1)**. Representative Sloan explained that the bill was introduced to provide an alternative funding mechanism for programs such as weatherization for low-income families, KAN-ED, and improving the quality of water in Kansas. This concept is not new, as several utility companies currently have voluntarily contribution programs. Representative Sloan stated that legislators must determine if the political cost of providing for these programs is too high compared to not taking any action.

Kim Wilcox, President and CEO of the Kansas Board of Regents, appeared as a proponent of **HB 2645 (Attachment 2)**. Mr. Wilcox encouraged the committee to provide funds for the KAN-ED program.

Chris Giles, Senior Director of Regulatory Affairs for Kansas City Power & Light Company appeared in opposition to **HB 2645 (Attachment 3)**. Mr. Giles stated that the program was unfair to customers because, even though it is voluntary, if the customer doesn't understand what action needs to be taken they could unknowingly be in the program. Additionally, costs and administrative burden on the utility could rise due to the bill's passage.

Mike Taylor, Government Relations Director for the City of Wichita, addressed the committee as an opponent to **HB 2645 (Attachment 4)**. Mr. Taylor called the proposed legislation deceptive in that the customer must choose to 'opt out' and it appears to be like 'cramming' on a phone bill. A more affirmative choice would be to allow the customer to 'opt in' and have a check off box or have the legislature simply increase the State Water Fund fee already collected.

Rob Hodges, President of the Kansas Telecommunications Industry Association, spoke in opposition to **HB 2645 (Attachment 5)**. Mr. Hodges shared concerns about how the bill would be implemented and its resulting impact on budgeting because of varying amounts in the monthly remittances.

Dave Arnold, Vice President of Customer Services for Kansas Gas Service, provided comments against **HB 2645 (Attachment 6)**. Mr. Arnold expressed specific concerns about what happens when the customer fails to pay the bill and prohibitive costs for opting in and opting out.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:05 a.m. on February 6, 2002.

Diana Thurman, Senior Manager of Customer Relations for Westar Energy, appeared in opposition to **HB 2645** (Attachment 7). Ms. Thurman explained that the bill has good intentions, however, Westar Energy had two programs that meet the same needs the bill addresses on weatherization. She also expressed concerns about consumers being automatically enrolled in the program and being forced to opt out.

Kim Gulley, Director of Policy Development and Communications for the League of Kansas Municipalities, addressed the committee in opposition to **HB 2645** (Attachment 8). Ms. Gulley shared three concerns with the bill: 1) Cost - nearly every city would be faced with administrative costs associated with this program; 2) Equity - the bill would have a disproportionate impact on the people it proposed to help; and 3) Local Programs - many cities already have programs of their own and are concerned that they would have to eliminate local assistance.

John Federico, appearing on behalf of the Kansas Cable Telecommunications Association, stood in opposition to **HB 2645** (Attachment 9). Mr Federico cited the monitoring of the opt-in/opt-out options as an administrative challenge for staff and would increase costs to the consumer.

Ron Appletoft, Governmental Affairs Coordinator for Water District No. 1 of Johnson County, addressed the committee as an opponent to **HB 2645** (Attachment 10). Mr. Appletoft stated that the administration of this legislation would be costly and involve extensive changes to their billing programs and customer contact.

The conferees responded to questions from the committee.

Additionally, Jacque Oakes, on behalf of Schools for Quality Education, submitted written testimony in favor of **HB 2645** (Attachment 11) and Donald Seifert, Policy Development Leader for the City of Olathe, submitted written testimony in opposition to **HB 2645** (attachment 12).

Chairman Holmes closed the hearing on **HB 2645**.

The meeting adjourned at 9:47 a.m. The next meeting will be February 7, 2002 at 9:00 a.m.