

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on April 29, 2011, in Room 152-S of the State Capitol Building.

All members were present except:

Representative Mike Slattery-excused

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes

Cindy Lash, Kansas Legislative Research Department

Rena Hansen, Committee Assistant

Conferees appearing before the Committee:

Shirley Allen, Kansas Rural Independent Telephone Companies

Others attending:

Twenty five including the attached list.

Hearing on:

HR 6020- Urging modifications to the National Broadband Plan for the benefit of rural residents of Kansas.

Matt Sterling, Revisors office, gave a brief overview to the committee of **HR 6020** (Attachment 1). He noted there is a printing error in the bill that includes the word Senate instead of House of Representatives.

Proponents:

Shirley Allen, Kansas Rural Independent Telephone Companies, (Attachment 2), spoke to the committee in favor of **HR 6020**. She gave the committee the genesis of this resolution and noted this is a bi-partisan issue and does not have a rural versus urban slant to it. She commented that in Washington D.C. the Department of Agriculture has been asked to stay out of this issue by the FCC. Kansas Rural Independent Telephone Companies has a problem with this, as agriculture is affected by the issue.

Questions were asked and comments made by Representatives: Annie Kuether, Vern Swanson, Tom Sloan, and Reynaldo Mesa.

The hearing on **HR 6020** was closed.

Action on:

HR 6020- Urging modifications to the National Broadband Plan for the benefit of rural residents of Kansas.

Representative Tom Sloan moved we pass **HR 6020** favorable for passage and put it on the consent calender. Seconded by Representative Vern Swanson. Motion passed.

Action on **HR 6020** closed.

Hearing on:

HR 6025-Urging the United State Congress to permit the KCC to regulate hydraulic fracturing.

Matt Sterling noted this is the same bill that was passed out of the house as **HCR 5023** and gave an explanation of **HR 6025** (Attachment 3).

Comments were made by Representative Forrest Knox.

Hearing on **HR 6025** was closed

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on February 10, 2011, in Room 785 of the Docking State Office Building.

Action on:

HR 6025-Urging the United State Congress to permit the KCC to regulate hydraulic fracturing.

Representative Vern Swanson, moved to pass **HR6025** to the house favorably and put it on the consent calendar. Seconded by Representative Phil Hermanson. Motion carried unanimously.

Action on **HR6025** was closed.

Hearing on:

HR 6024-Urging the adoption of federal regulations permitting Kansas to regulate the underground storage of natural gas.

Matt Sterling noted this is the same bill that was passed out of the house as **HCR 5022** and noted that **SCR 1606** is written differently. He gave the committee an explanation of **HR 6024** (Attachment 4).

Questions were asked and comments made by Representatives: Carl Holmes, and Tom Sloan.

Tom Day, KCC, spoke to the committee on the differences of **HCR 1606** and **HCR 5022**. He noted that **HCR 1606** has some special interest items included in it. He commented that the commission is more comfortable with **HR5022** and thus **HR 6024** than **SCR1606**.

The Chair opened the floor for comments from the audience and there were none.

The hearing was closed.

Action on:

HR 6024-Urging the adoption of federal regulations permitting Kansas to regulate the underground storage of natural gas.

Representative Tom Sloan moved to pass out of committee **HR 6024**, and put it on the consent calendar. Seconded by Representative Don Schroeder. Motion carried unanimously.

Action on **HR 6025** was closed.

The chairman thanked the staff for their work on the committee.

There are no more meetings scheduled.

The meeting was adjourned at 9:36 A.M.

HOUSE ENERGY AND UTILITIES COMMITTEE

GUEST LIST

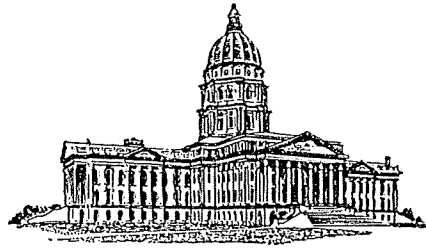
DATE: April 28, 2011

NAME	REPRESENTING
Con Stanton	Northern Natural Gas Co
Ben Carter	Southern Star
Joe Duck	KCBPU
Dave Holthaus	KFE
Ken Peterson	KPC
Mark Schroeder	Westar
John Petersen	Capital Star
Scott Jones	KCP
Elizabeth Mann	Empire District Electric
David Martin	Empire District Electric
Tom Day	KCC
Wes Ashton	Black Hills Energy
Tim Gortner	AT&T
George Skelton	at&t
Dan Fink	VERIZON
Whitney James	Empire
Dan [unclear]	Curb

MARY ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY
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MEMORANDUM

To: Chairman Holmes and members of the House Energy and Utilities Committee
From: Matt Sterling, Assistant Revisor of Statutes
Date: April 29, 2011
Subject: House Resolution 6020

HR 6020 urges the Federal Communications Commission to change their proposed National Broadband Plan to develop a universal service support mechanism that ensures accountability and stability while providing effective incentives for broadband network deployment and operation that enables broadband to be delivered at an affordable rate. The plan should also ensure high-quality service by tying funding to satisfying reasonable, but meaningful, carrier of last resort obligations. The resolution also urges that the plan should ensure that rural and urban consumers pay reasonably comparable rates for reasonably comparable services by providing adequate support in high-cost areas.

HOUSE ENERGY AND UTILITIES

DATE: 4/29/2011

ATTACHMENT 1

Blu. Telephone Company
Home
 Bluestem Telephone Company
Dodge City
 Columbus Telephone Company
 Craw-Kan Telephone Coop., Inc.
Girard
 Cunningham Telephone Company, Inc.
Glen Elder
 Elkhart Telephone
 Golden Belt Telephone Assn., Inc.
Rush Center
 Gorham Telephone Company
 H&B Communications, Inc.
Holyrood
 Haviland Telephone Company, Inc.
 Home Telephone Company, Inc.
Galva
 JBN Telephone Company, Inc.
Westmore
 KanOkla Telephone Assn., Inc.
Caldwell
 LaHarpe Telephone Company, Inc.
 Madison Telephone Company, Inc.
 MoKan Dial, Inc.
Louisburg
 Mutual Telephone Company
Little River
 Peoples Mutual Telephone Company
LaCygne
 Pioneer Telephone Assn., Inc.
Ulysses
 Rainbow Telephone Coop. Assn., Inc.
Everest
 Rural Telephone Service Company, Inc.
Lenora
 S & A Telephone Company, Inc.
Allen
 S & T Telephone Coop. Assn.
Brewster
 South Central Telephone Assn., Inc.
Medicine Lodge
 Southern Kansas Telephone Co., Inc.
Clearwater
 Sunflower Telephone Company, Inc.
Dodge City
 Totah Telephone Company, Inc.
Ochelata, OK
 Tri-County Telephone Assn., Inc.
Council Grove
 Twin Valley Telephone, Inc.
Miltonvale
 United Telephone Association, Inc.
Dodge City
 Wamego Telephone Company, Inc.
 The Wheat State Telephone Co., Inc.
Udall
 Wilson Telephone Company, Inc.



KANSAS
 RURAL INDEPENDENT
 Telephone Companies

Investment that works for all Kansans

TESTIMONY OF SHIRLEY ALLEN

on behalf of

THE KANSAS RURAL INDEPENDENT TELEPHONE COMPANIES

in support of

House Resolution 6020

April 29, 2011

Mr. Chairman and Representatives:

Thank you for the opportunity to address you today. I am Shirley Allen, representing the Kansas Rural Independent Telephone Companies.

Rural telephone companies exist, and continue to invest, because larger carriers saw no opportunity for sufficient profit in sparsely populated rural areas. The provision of basic communications service available to virtually all Americans has been achieved only through reliance on revenues from outside these high-cost areas, where affordable charges to consumers are insufficient to meet the costs of quality, reliable service.

Kansas rural telephone companies have relied on government's own commitments to meet public goals. Rural companies' long term commitments have enabled expansion of broadband availability to their rural consumers. Rural communities and rural economies face continuing challenges, and advanced communications services are crucial to any effort to arrest or reverse rural declines. Revision of policy is needed to support expansion into underserved and unserved areas, but new policy must be crafted carefully and responsibly to avoid undermining present broadband availability.

The FCC's Notice of Proposed Rule Making (NPRM) to implement the National Broadband Plan would impose untested solutions likely to prove either inadequate or excessively costly. While the plan may result in limited and marginal improvement of broadband availability in some rural areas, it would sacrifice superior results already achieved in other areas. New negative consequences are guaranteed in this plan that would dig one hole for the purpose of filling another. Both basic and advanced rural services would be put at risk, along with existing employment and investment.

HOUSE ENERGY AND UTILITIES

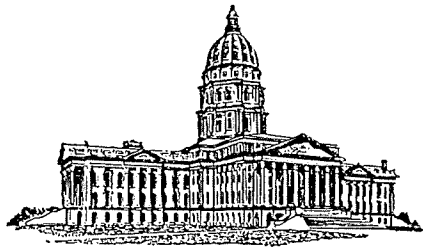
DATE: 4/29/2011

ATTACHMENT 2-1

The responsible approach for the FCC to revise broadband deployment is to build on success, not to sacrifice proven performance and public resources for limited and speculative "benefits." It would be irresponsible of government to put numerous Kansas providers out of business just so other areas can be served instead.

We ask the House Utilities committee to support House Resolution 6020 which urges the FCC to consider all Kansans' and Americans' needs when revising telecommunication policy. Please urge the FCC to continue its historic support for a first-class telecommunications system available to all Americans at an affordable rate.

MARY ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES
JAMES A. WILSON III, ATTORNEY
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MEMORANDUM

To: Chairman Holmes and members of the House Energy and Utilities Committee
From: Matt Sterling, Assistant Revisor of Statutes
Date: April 29, 2011
Subject: House Resolution 6025

HR 6025 is a resolution identical to HCR 5023, which this committee passed out earlier this session. The resolution urges Congress to continue to permit the Kansas Corporation Commission to regulate hydraulic fracturing in compliance with state regulations. The Environmental Protection Agency is currently studying the potential impacts of hydraulic fracturing on drinking water resources. The resolution urges Congress to preserve and maintain the exemption from the Safe Drinking Water Act for hydraulic fracturing.

Hydraulic fracturing is a process that results in the creation of fractures in rocks. The fracturing is done from a wellbore drilled into reservoir rock formations to increase the rate and recovery of oil and natural gas.

A hydraulic fracture is formed by pumping the fracturing fluid into the wellbore at a rate sufficient to increase the pressure downhole to a value in excess of the fracture gradient of the formation rock. The pressure causes the formation to crack, allowing the fracturing fluid to enter and extend the crack farther into the formation. To keep this fracture open after the injection stops, a solid proppant, commonly a sieved round sand, is added to the fracture fluid. The propped hydraulic fracture then becomes a high permeability conduit through which the formation fluids can flow to the well.

HOUSE ENERGY AND UTILITIES

DATE: 4/29/2011

ATTACHMENT 3

MARY ANN TORRENCE, ATTORNEY

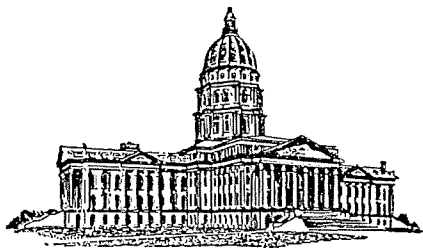
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MEMORANDUM

To: Chairman Holmes and members of the House Energy and Utilities Committee
From: Matt Sterling, Assistant Revisor of Statutes
Date: April 29, 2011
Subject: House Resolution 6024

HR 6024 is a resolution identical to HCR 5022, which this committee passed out earlier this session. The resolution urges the Federal Energy Regulatory Commission, the U.S. Department of Transportation and the Kansas Corporation Commission to adopt legislation or policies that would provide Kansas with administrative jurisdiction to assure the safe operation of wellbores associated with the underground storage of natural gas that is in interstate transportation.

HOUSE ENERGY AND UTILITIES

DATE:

4/29/2011

ATTACHMENT

4