

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Pat Apple at 1:30 p.m. on January 26, 2011, in Room 548-S of the Capitol.

All members were present except:
Senator Jay Emler, excused

Committee staff present:
Matt Sterling, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Heather O'Hara, Legislative Research Department
Ann McMorris, Committee Assistant

Conferees appearing before the Committee:
Jeff Wick, Nex-Tech, Hays

Others attending: See attached list.

Approval of Minutes

Moved by Senator Petersen, seconded by Senator Lee, to approve the minutes of the meetings of the Senate Utilities Committee held on January 11, 2011, January 12, 2011, and January 13, 2011. Motion carried.

Presentation on Nex-Tech Broadband Expansion Activities

Jeff Wick, chief operating officer, Nex-Tech, made a power point presentation on "Connecting Rural Kansas". He provided background on this rural telephone company, discussed the broadband technologies being used to improve the communities they serve, reviewed the Nex-Tech wireless nationwide coverage and the Broadband stimulus project. He reviewed the economic development impact made in western Kansas and the broadband stimulus technologies being provided. Broadband coverage, after completion of this project, will affect 39,158 households and business covering 9,307 square miles and involving 60 towns and 17 counties. (Attachment 1)

An e-mail from Scott Jones of Kansas City Power and Light, responding to questions from the committee following his presentation on January 13, 2011, was distributed. (Attachment 2)

Chair Apple thanked Senator Lee for her years of service on the Senate Utilities Committee. This was her last committee meeting before moving to her newly appointed position as Chief Hearing Officer of the Kansas State Court of Tax Appeals.

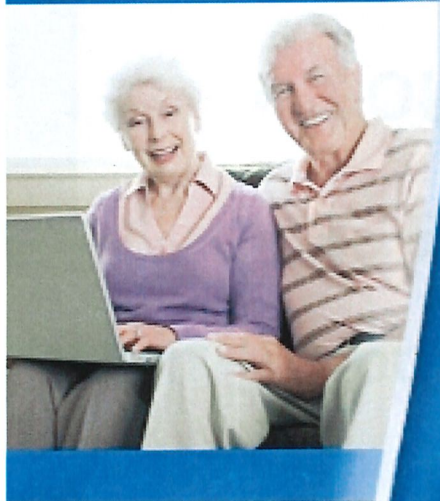
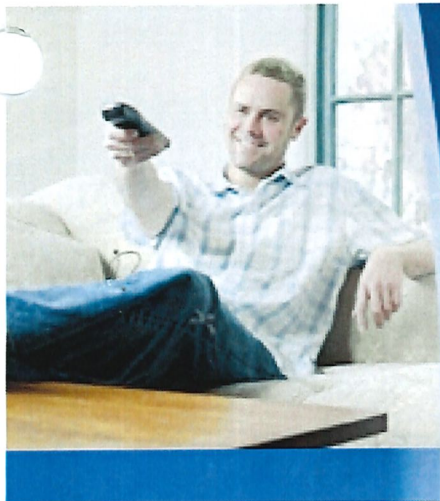
The meeting was adjourned at 2:25 p.m.

Respectfully submitted,
Ann McMorris, Committee Assistant

Attachments - 2

**SENATE UTILITIES
COMMITTEE GUEST LIST
JANUARY 26, 2011**

NAME	REPRESENTING
JERRY HUFF	KBOR
Mike Antkles	ENGLE
LON STANTON	STTA
George Stelbom	NORTHERN NATURAL GAS CO
Bernad Koops	Clean Line
Tom Gortner	Her Law Firm
LES DEPPERSCHWIDT	AT&T
Nelson Krueger	AT&T
Whitney Jamison	US Cellular
John Izlay	Pixius Communc
Mike Decker	Century Link
Dina Fiske	Jack's Brader / Spins
	Verizon



CONNECTING RURAL KANSAS





Rural Telephone

- Cooperative Started in 1951
- 39 Exchanges in 17 Counties
- 7 Offices
- Headquarters – Lenora, Kansas
- Annual Revenues in Excess of \$45 Million

2-1

POWER
OF
ONE



NEXTech
A Rural Telephone Company



1-3

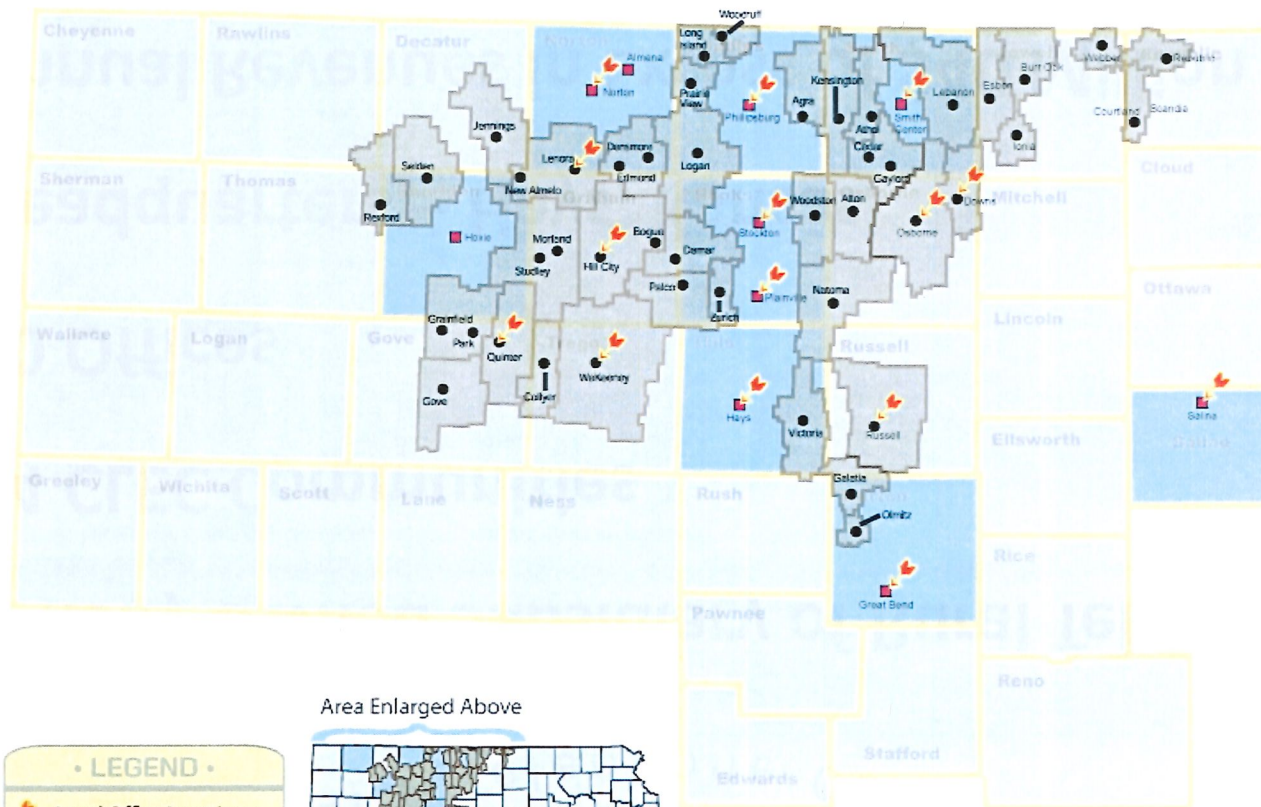
- Wholly Owned Subsidiary of Rural Telephone
- 14 CLEC Communities
- 10 Offices
- Headquarters – Hays, Kansas
- Annual Revenues in Excess of \$40 Million

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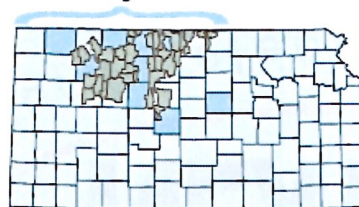


Coverage Map

1-4



Area Enlarged Above



• LEGEND •

-  Local Office Locations
-  Nex-Tech Community
-  Rural Telephone Service Area

Rural Telephone & Nex-Tech
Coverage Map

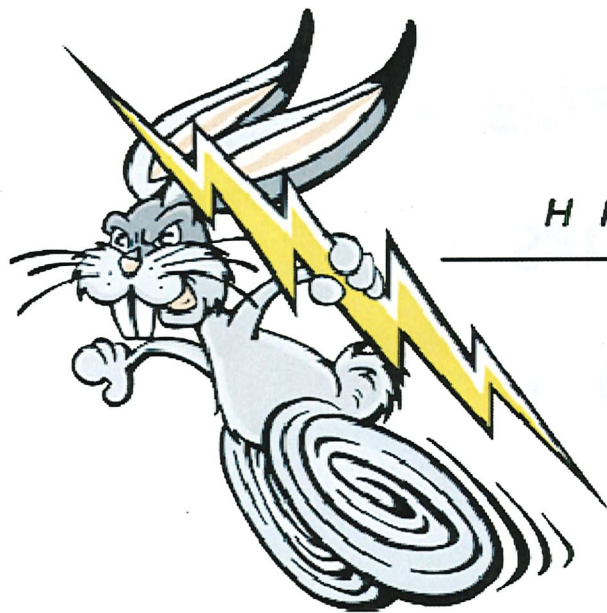
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NEXTECH
A Rural Telephone Company

Broadband Technologies

1-5



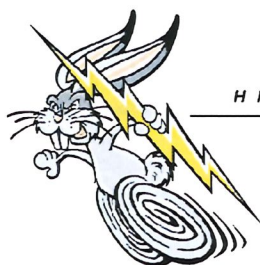
H I G H - S P E E D I N T E R N E T

**LIGHTNING
JACK™**

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NEXTECH
A World Telephone Company



HIGH-SPEED INTERNET

**LIGHTNING
JACK™**

1-6

- Cable Modem
 - DSL
 - Fixed Wireless
- Satellite (Wild Blue)
- Fiber-To-The-Premise
 - WiMAX

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NEXTECH
A Next Telephone Company

SURF THE INTERNET *FREE!*

NEXTECH

625-7070
2418 Vine, Hays



www.nex-tech.com

- > Tiger Mat
- > Neighbors
- > Imperial Garden
- > Gutch's Restaurant
- > Augustine's Bakery
- > Hays Public Library
- > Precision Valley Golf
- > Hays Regional Airport
- > Semolino Coffee & Eatery
- > Rooftops Restaurant & Bar
- > Gutierrez Mexican Restaurant
- > Lb. Brewing Co. and Gella's Diner

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NEXTECH
A Forest Telephone Company



8-1

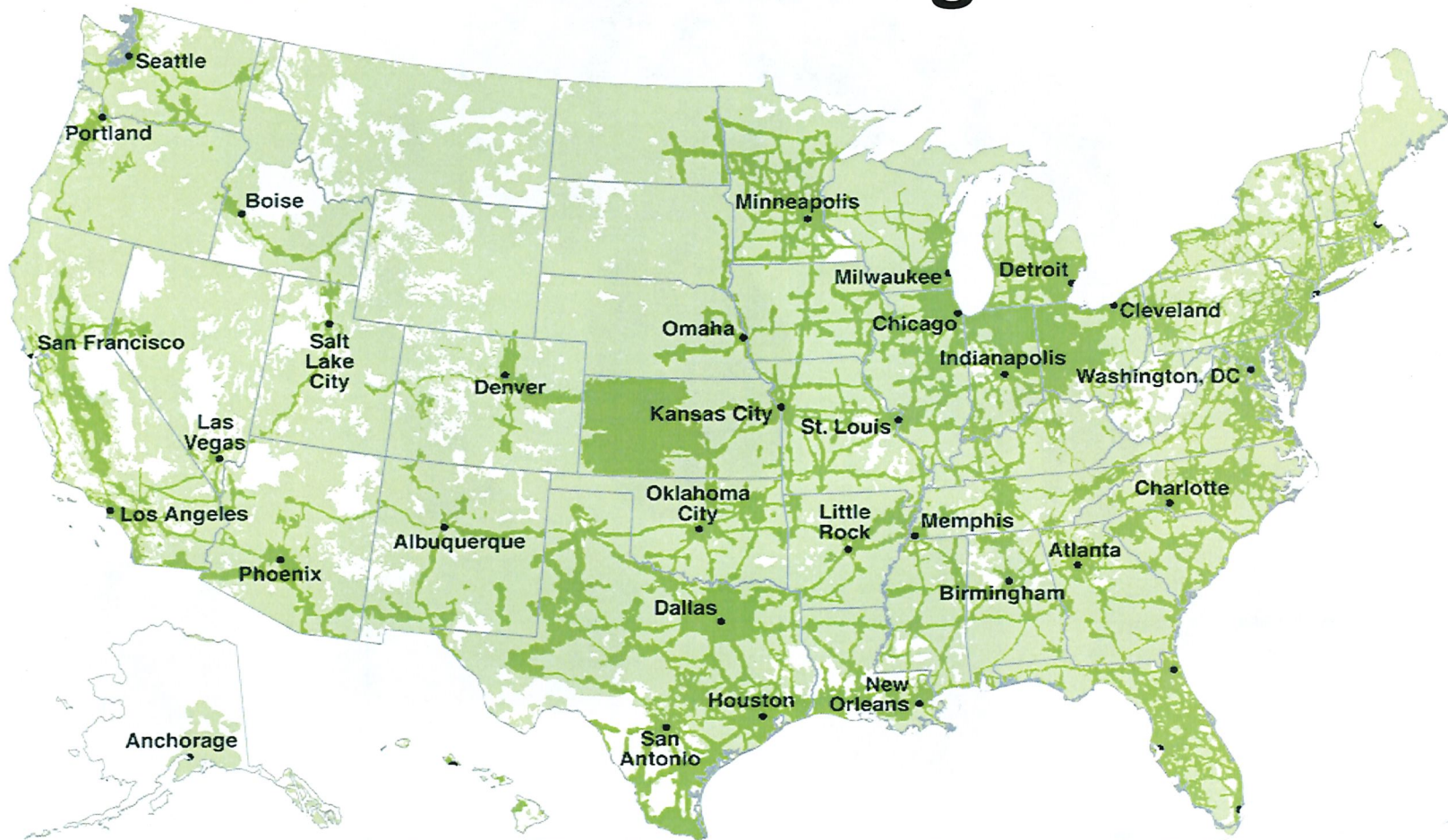
- Launched Services in Fall 2005
- Added Over 65 High-Tech Jobs
- Annual Revenues in Excess of \$47 Million

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Nex-Tech Wireless Nationwide Coverage Area

6-1



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NEXTECH
A Bell Telephone Company

Broadband Stimulus Project

1-10



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PHONE



INTERNET



WIRELESS



TV



BUSINESS

NEXTECH
A Rural Telephone Company

Broadband Stimulus Project

Funded by the American Recovery and Reinvestment Act

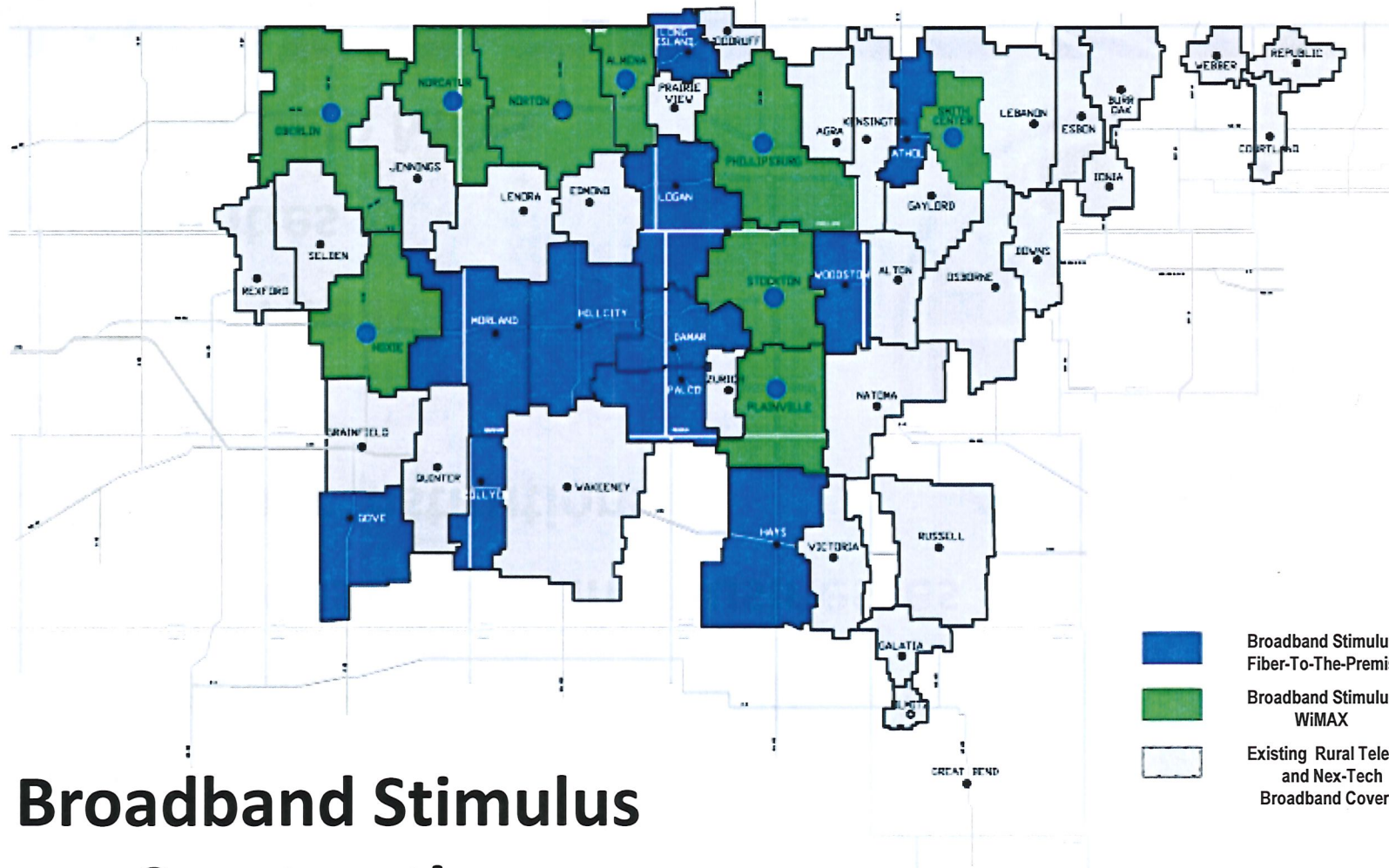
- \$101 Million
 - \$51 Million Loan / \$49 Million Grant
- 23,000 Households and Businesses
- 335 Anchor Institutions
- 21 Towns
- 26 Rural Areas
- 11 Counties
- 4,600 Square Miles



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NEXTech
A Next Telephone Company



- Broadband Stimulus
Fiber-To-The-Premise
- Broadband Stimulus
WiMAX
- Existing Rural Telephone
and Nex-Tech
Broadband Coverage

Broadband Stimulus Construction

1-12

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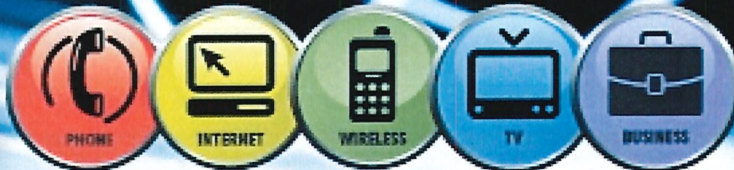
Economic Development

1-13



- Major impact on Western Kansas
- Projections were we would hire 17 full-time employees. So far, we have hired 10 full-time employees and 19 part-time employees.
- We estimate that this project will create and/or save approximately 400 jobs
- Contractors/Engineers are staying in local motels, eating at local restaurants and making purchases from local businesses

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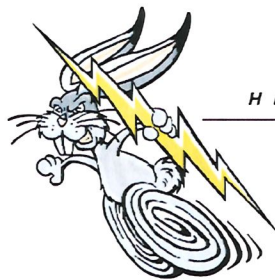


NEXTECH
A Next Telephone Company

Broadband Stimulus Technologies

1-14

- Fiber-To-The-Premise
- WiMAX



HIGH-SPEED INTERNET

**LIGHTNING
JACK™**

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PHONE



INTERNET



WIRELESS



TV



BUSINESS



Fiber-To-The-Premise

51-1

- **High-Speed Broadband**
 - over 100 MB today and 1 GB in the future
- **Bandwidth capacity for carrying large files, medical images, multimedia programming, 3-D Hi-Def TV and more**
- **Levels the playing field for our small rural communities**



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NEXTECH
A Core! Telephone Company

WiMAX

1-16

- **Affordable High-Speed Broadband services to rural areas where fiber is not feasible**
- **Delivers speeds comparable to DSL and cable modem service**
- **Multiple towers in the rural areas**
- **Not weather affected like satellite services**



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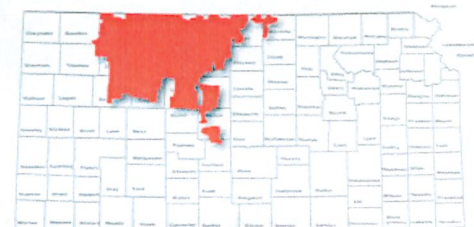
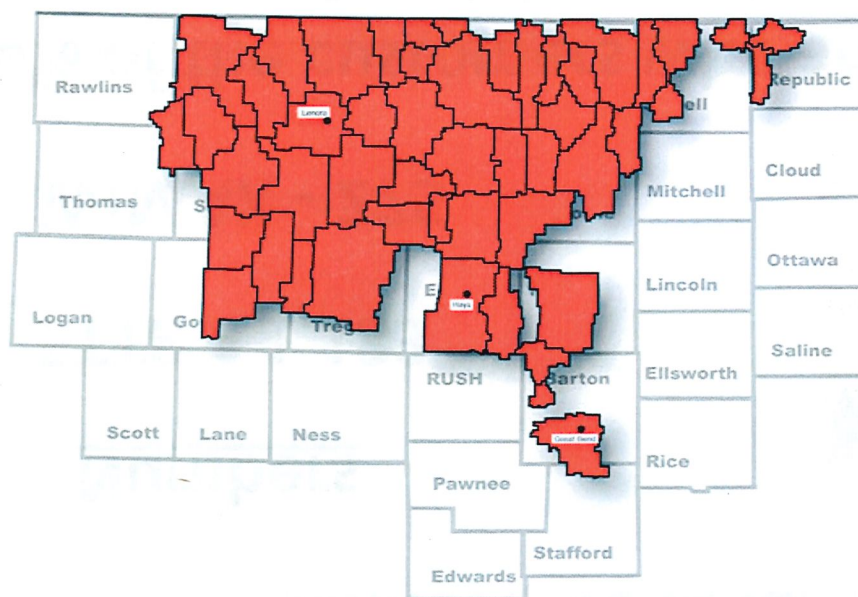


NEXTECH
A Korel Telephone Company

Broadband Coverage

(After Completion of Project)

1-17



- 39,158 Households and Businesses
- 9,307 Square Miles
- 60 Towns
- 17 Counties

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NEXTECH
A Next Telephone Company

Project Update

81-1

- Shovel Ready
- First company to use Broadband Stimulus funds to connect broadband customers

Numbers

FTTP – 1,183

WiMAX - 275



- 70% of the customers who are cutover have signed up for high-speed Internet service

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NEXTECH
A Korel Telephone Company

Importance of High-Speed Broadband

1-19



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A Next Telephone Company

Importance of High-Speed Broadband

1-20



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PHONE



INTERNET



WIRELESS



TV



BUSINESS



Level the Playing Field

12-1

- Instant Access to Information
- Online Ordering
- Online Auctions
- Telecommuting
- Online Education
- Healthcare Monitoring
- Telemedicine



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NEXTech
A Corel Telephone Company



1-22

Jeff Wick
Chief Operating Officer
jwick@nex-tech.com

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Ann McMorris

From: Jones Scott [Scott.Jones@kcpl.com]
Sent: Tuesday, January 25, 2011 4:37 PM
To: Pat Apple; Janis Lee
Cc: Ann McMorris
Subject: Response to Utility Energy Efficiency Savings Presentation

Sen. Lee and Sen. Apple,

Below are responses to questions asked following my presentation to Senate Utilities Committee regarding "Kansas Electric Utilities Energy Efficiency Program Savings".

1) Senator Lee asked if Kansas energy saving programs had achieved 2 percent annual savings. I believe Senator Lee was referring to a goal established by the Midwest Governors Association, which Governor Sebelius had endorsed. The MGA goal was to save 2 percent of the kWhs used each year. So as an example, if Westar customers used 10,000,000 kWh in 2010, then Westar would need to have EE efforts that reduced that by 200,000 kWh, then the following year they would need to reduce another 2% and so on. Though Kansas utilities have saved a lot through their current EE efforts, mainly through their interruptible programs, the state's utilities do not reduce demand by 2% year after year.

2) Sen. Apple asked about recent load growth for electric IOUs, coops and munis across the state. In general load growth began decreasing in 2007 as the recession hit and continued to slump through 2008 and in some areas into 2009. 2010 saw a significant growth in demand across the state as the recession slowed but is likely more attributable to an extremely hot summer. Growth is expected to continue into 2011. The KCC recently updated a Kansas Generation Planning Survey that provides a breakdown by utility of load demand. The report shows a statewide view of load growth and is available on-line at http://www.kcc.state.ks.us/electric/2010_kansas_generation_planning_survey.pdf.

If you have further questions, please don't hesitate to contact me.

Scott Jones, P.E.

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Senate Utilities Committee
January 26, 2011
Attachment 2-1