

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Scott Emler at 9:30 A.M. on March 8, 2005 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes' Office
Diana Lee, Revisor of Statutes' Office
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Others in Attendance: See attached list

Chairman opened for discussion and possible action on:

SB 120 - Telecommunications, regulation thereof, KUSF

SB 120 Comparison Chart

Athena Andaya, Kansas Legislative Research Department, had prepared and presented a comparison chart for **SB 120** with columns for (1) issue; (2) language; (3) testimony from Sprint; (4) testimony from KCC; (5) testimony from CURB; (6) Other - which contains testimony from other opponents. Issues covered were (1) depreciation rates; (2) price deregulation of bundled offerings; (3) price deregulation of new services; (4) Price cap formula; (5) price cap formula (Basket 1 price cap adjustment); (6) Price cap formula (Basket 3 price cap adjustment); (7) price deregulation; and (8) KUSF. (Attachment 1)

Amendments by Sprint

Richard Lawson of Sprint, presented their proposed amendments to **SB 120**. (Attachment 2) Chairman opened for questions and discussion after each amendment was presented.

Amendment #1 - On page 2, line 4, delete language "of assets for all regulatory purposes" and insert ", except that the depreciation rates set by a price cap regulated company shall not increase or decrease the amount of support received by such company from the Kansas universal service fund." KCC felt the language precluded their authority and needed to be more specific, and the intent of Sprint was not to upset the formula. It was suggested a conference be held by the interested parties and language selected to clear up this confusion.

Amendment #2 - on page 5, lines 28 and 29 - delete the language "Any new telecommunications service offered after August 1, 2005, and..." and capitalize the word "Packaged". Clarification made that removing of items from the basket would leave the rates unaffected.

Due to lack of time, the Chairman announced the discussion on **SB 120** would be continued at the March 9 meeting of the Senate Utilities Committee.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 2