



**Presentation before the Kansas House Committee**  
**Energy and Environment**  
**January 23, 2015**

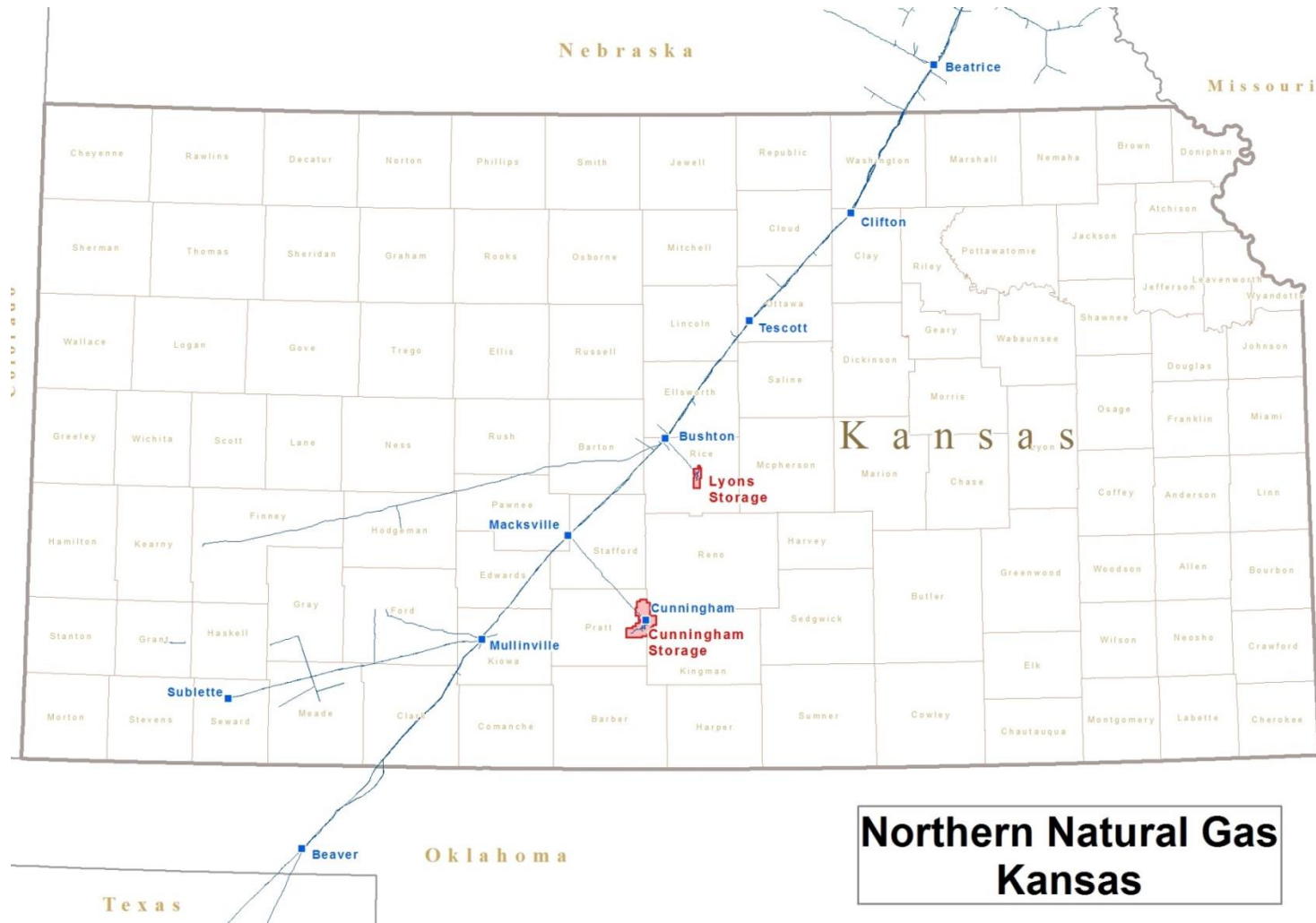
# Northern's System

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- Northern has a vast network of pipeline facilities
  - 14,700 miles of pipeline
  - 49 compressor stations – 634,810 horsepower
  - Over 2,150 receipt and delivery points
- Northern has five storage facilities with 59 Bcf firm capacity and 1.1 Bcf/day of peak deliverability
  - Three underground storage facilities
    - Redfield, Iowa
    - Cunningham, Kansas
    - Lyons, Kansas
  - Two liquefied natural gas facilities with 4.0 Bcf capacity
    - Wrenshall, Minnesota
    - Garner, Iowa
- Northern's system has two distinct rate areas
  - Market Area with a peak-day capacity of more than 5.5 Bcf
  - Field Area with a peak-day capacity of more than 1.7 Bcf



# Northern Facilities in Kansas



# Northern's Presence in Kansas

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- In Kansas, Northern employs 111 full-time employees with an annual base salary in excess of \$7.5 million
- In addition to the two storage facilities, Northern owns and operates approximately 1,728 miles of pipeline and 36 compressor units at six compressor stations
- In 2014, Northern paid Kansas property taxes totaling more than \$13.55 million
- Northern serves more than 600 farm taps

# Northern's Storage Facilities in Kansas

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Northern owns and operates two underground natural gas storage facilities in Kansas. The fields are certificated by the Federal Energy Regulatory Commission pursuant to the Natural Gas Act

- Lyons storage field
  - Began operation in 1975
  - Located in Rice County
  - Depleted gas field
  - Maximum storage capacity of 24 Bcf
  - Maximum injection rate of 125,000 Mcf/day
- Cunningham storage field
  - Began operations in 1978
  - Located in Kingman, Pratt and Reno counties
  - Depleted gas and oil field
  - Maximum storage capacity of 62 Bcf
  - Maximum injection rate of 545,000 Mcf/day

# Repeal of Capture Legislation - Background

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- Northern expects to support legislation in this session that would Repeal the Rule of Capture as it relates to the migration of underground storage gas
- The Rule of Capture is a common law principle that states the first person to capture a resource (groundwater, oil, gas) owns that resource, even if the resource came from neighboring property
- In 1993, the Kansas Legislature enacted K.S.A. 55-1210 to ensure ownership of gas injected for storage would remain with party storing that gas – to repeal the Rule of Capture for storage gas that migrated from its certificated boundaries
- The proposed legislation is in response to a recent Kansas Supreme Court decision that interpreted that statute to protect ownership of underground stored natural gas only for one mile from its certificated storage field

# Core Principles

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