

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Senator Charlie L. Angell at
Chairperson

8:00 a.m. ~~PM~~ on Thursday, March 17, 1983 in room 123-S of the Capitol.

All members were present except:
Senator Paul Hess

Committee staff present:
Ramon Powers, Research Department
Don Hayward, Revisor's Office
LaVonne Mumert, Secretary to the Committee

Conferees appearing before the committee:
Robert Kiekel, Kansas Furharvesters Association
Darrell Montei, Kansas Fish and Game Commission

The minutes of the March 16, 1983 meeting were approved.

H.B. 2493 - Fish and game; hunting, fishing and trapping licenses

Robert Kiedel said they support the bill, with certain reservations. They would suggest that the number of hunters in a group hunting in the company of someone who has a furharvester license be limited. He also said they hope that the age exemption is not over 12 or 14 years.

Darrell Montei said that Chairman Angell had asked them to come up with a solution for the problem of casual or one-time hunters. The Commission recommends that in place of the amendment made by the House starting in line 34 that the Commission be authorized to establish by rules and regulations what type of activities are permitted under the furharvester license. There was discussion about the timing and procedure for adopting such rules and regulations.

Senator Kerr made a motion that the bill be amended to provide that children under the age of 14 not be required to get a license if they are in the company of a person who has a license. Senator Gannon seconded the motion, and the motion carried. Senator Kerr moved that the language in lines 34 through 39 be stricken. Senator Gordon seconded the motion, and the motion carried. Senator Kerr moved that the bill, as amended, be reported favorably for passage. Senator Feleciano seconded the motion, and the motion carried 9-1.

S.B. 2373 - Fish and game; penalties for violations

Senator Chaney moved that no action be taken on this bill and that it be left in Committee. Senator Feleciano seconded the motion, and the motion carried.

S.B. 2464 - Fish and game; hunting licenses

Senator Werts made a conceptual motion that the bill be amended to provide that anyone 18 years of age or older not be required to have a hunter's safety certificate. Senator Chaney seconded the motion, and the motion carried. Senator Chaney moved that Fish and Game be authorized to charge a nominal fee for printing and laminating hunter's safety certificates. Senator Feleciano seconded the motion, and the motion carried. Senator Chaney moved that the bill, as amended, be reported favorably for passage. Senator Werts seconded the motion, and the motion carried 10-0.

Senator Kerr presented the Report of the Subcommittee on Natural Gas (Attachment 1) on S.B. 23, S.B. 146, S.B. 161, S.B. 162, S.B. 167, S.B. 178, S.B. 209, S.B. 236, S.C.R. 1601 and H.C.R. 5004. He reviewed the Subcommittee's recommendations for amendments to S.B. 209 (Attachment 2). Senator Kerr moved that the Report be adopted with the understanding that the Ways and Means Committee will introduce a bill like the balloon of S.B. 209 for referral back to the Energy and Natural Resources Committee. The motion carried.

The meeting was adjourned at 9:02 a.m. by the Chairman. The next meeting of the Committee will be at 8:00 a.m. on March 18, 1983.

Senate Energy & Natural Resources

Mar. 17, 1983

<u>Name</u>	<u>Organization</u>
Janette Hanzlick	
Bill Hanzlick	KS. Fish & Game
Robert D. Kirk	Kansas Fur Harvesters
BILL PERDUE	KPL
LOW STANTON	KPL

Attachment 1

REPORT OF THE
SUBCOMMITTEE ON NATURAL GAS

Committee members:

Senator Fred Kerr (Chairman)
Senator Charlie Angell
Senator Bert Chaney
Senator Paul Feleciano

The Subcommittee's charge was to consider and make recommendations on the following bills: S.B. 23, S.B. 146, S.B. 161, S.B. 162, S.B. 167, S.B. 178, S.B. 209, S.B. 236, S.C.R. 1601 and H.C.R. 5004.

The Subcommittee met March 8, 9, 10, 14 and 15, and minutes are available for each meeting.

As a result of study by the Subcommittee, the following action is recommended to the Energy and Natural Resources Committee:

S.B. 23 - (Steiniger) Declaring portions of natural gas pipelines to be common carriers

It is recommended that no action be taken on this bill this year. Further, it is recommended that should an interim study in 1983 be authorized on natural gas, that this bill should be part of the study.

S.B. 146 - (Angell and 9 others) Providing for cancellation of underproduction from natural gas wells

It is recommended that this bill not be considered further in 1983.

S.B. 161 - (Hayden) Requiring the continuation of natural gas supply to certain land for irrigation purposes

It is recommended that no action be taken on this bill this year. Further, it is recommended that should an interim study in 1983 be authorized on natural gas, that this bill should be part of the study.

S.B. 162 - (Hayden) Prescribing a maximum price for first sales of natural gas to agricultural users

It is recommended that no action be taken on this bill this year. Further, it is recommended that should an interim study in 1983 be authorized on natural gas, that this bill should be part of the study.

Atch. 1

S.B. 167 - (Hayden) Concerning additional sales of and access to certain natural gas for agricultural purposes

It is recommended that no action be taken on this bill this year. Further, it is recommended that should an interim study in 1983 be authorized on natural gas, that this bill should be part of the study.

S.B. 178 - (Hayden) Concerning covenants of reasonable exploration and development of lands covered by oil and gas leases

House Bill 2208 is similar to S.B. 178. It has passed the House of Representatives. The Subcommittee did not consider S.B. 178. The full Energy and Natural Resources Committee is considering H.B. 2208.

S.B. 209 - (Steineger and 10 others) Providing for the establishment of a maximum price of natural gas

The Subcommittee recommends that the content of S.B. 209 be considered by the full Committee. Further, the Subcommittee recommends that several amendments be included in the legislation considered by the full Committee (see balloon copy attached).

S.B. 236 - (Mulich) Directing the KCC to establish lifeline rates

It is recommended that this bill not be considered further in 1983.

S.C.R. 1601 (Steineger and 13 others) Memorializing the President and Congress to freeze natural gas prices and outlaw "take or pay" contracts

H.C.R. 5004 - (Farrar and 66 others) Memorializing the President and Congress to nullify "take or pay" clauses in natural gas contracts

Since H.C.R. 5004 is similar to S.C.R. 1601 and it has passed the House, the Subcommittee recommends that H.C.R. 5004 be considered by the full Committee and that S.C.R. 1601 not be considered further.

The Subcommittee is pleased to submit this report.

SENATOR FRED A. KERR
CHAIRMAN

SENATE BILL No. 209

By Senators Steineger, Chaney, Daniels, Feleciano, Gannon, Johnston, Karr, McCray, Mulich, Parrish and Rehorn

2-9

0018 AN ACT concerning natural gas; providing for the establishment
0019 of a maximum price thereof; prescribing duties for the state
0020 corporation commission relating thereto.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. This act may be cited as the Kansas natural gas
0023 price control act.

0024 Sec. 2. The legislature hereby declares that: ~~(1) The federal~~
0025 ~~policy for decontrol of wellhead natural gas prices has resulted in~~
0026 ~~an adequate supply of natural gas and in increasingly burden-~~
0027 ~~some prices for natural gas; (2) the current price of natural gas~~
0028 ~~imposes severe economic hardship upon residential, commercial~~
0029 ~~and industrial consumers of natural gas in the state of Kansas; (3)~~
0030 ~~the protective action of the Kansas natural gas price protection~~
0031 ~~act, K.S.A. 1982 Supp. 55-1401 et seq., is insufficient to address~~
0032 ~~the problems attendant to the high price of natural gas; and (4) the~~
0033 ~~high price of natural gas has caused economic and social dislo-~~
0034 ~~cation resulting in an economic emergency which will worsen~~
0035 ~~without action to diminish rising natural gas prices.~~

the current price for intrastate natural gas justifies the use of the state's police power in order to protect the public welfare

0036 Sec. 3. For the purposes of this act, commission, gas pur-
0037 chase contract, new well, new reservoir, stripper well and price
0038 shall have the meaning respectively ascribed thereto by K.S.A.
0039 1982 Supp. 55-1402.

0040 Sec. 4. Except to the extent authorized by the commission
0041 pursuant to section 5 of this act, and notwithstanding the provi-
0042 sions of K.S.A. 1982 Supp. 55-1405 and 55-1406, the maximum
0043 price under any gas purchase contract entered into before January
44 20, 1983, shall be the price actually paid under the contract on
45 such date, except that the maximum price for any natural gas

the effective date of this act

Alch. 2

0047 which qualifies as gas produced from new wells or reservoirs
 0048 shall be the price established under section 102 of the natural gas
 0049 policy act of 1978 on such date and the maximum price for
 0050 natural gas which qualifies as gas produced from stripper wells
 0051 shall be the price established under section 108 of the natural gas
 0052 policy act of 1978 on the effective date of this act such

0052 Sec. 5. (a) Beginning one year after the effective date of this
 0053 act, the commission shall review annually the extent, if any, to
 0054 which the provisions of section 4 of this act shall continue to
 0055 operate. The commission shall then have the authority, in the
 0056 course of the exercise of its discretion, to establish a maximum all
 0057 price ceiling or ceilings for intrastate natural gas. In no event subject to the provisions of section 4
 0058 shall the commission allow the price payable to exceed the price
 0059 established by section 109(b) of the natural gas policy act of 1978
 0060 on the date of such allowance, except that the commission may
 0061 allow the maximum price for natural gas which qualifies as gas
 0062 produced from new wells or new reservoirs to equal but not
 0063 exceed the price established by section 102 of the natural gas
 0064 policy act of 1978 on the date of such allowance and the com-
 0065 mission may allow the maximum price for natural gas which
 0066 qualifies as gas produced from stripper wells to equal but not
 0067 exceed the price established by section 108 of the natural gas
 0068 policy act of 1978 as of the date of such allowance.

0069 (b) In making its determinations, the commission shall con-
 0070 sider the adequacy of the supply of natural gas, the increase or
 0071 decrease in consumption of natural gas resulting from this act, the
 0072 impact on retail natural gas prices likely to result from the
 0073 allowance of any increases in gas prices and the effect of this act
 0074 on producers.

Sec. 6. All price limitations as defined by this act shall terminate
 not later than December 31, 1984.

0075 Sec. [6] If any sentence, clause, subsection or section of this 7
 0076 act is held unconstitutional or invalid by any court of competent
 0077 jurisdiction, it shall be conclusively presumed that the legislature
 0078 would have enacted the remainder of the act not so held uncon-
 0079 stitutional or invalid. 8

0080 Sec. [7] This act shall take effect and be in force from and after
 0081 its publication in the Kansas register.