

MINUTES OF THE SENATE SUB COMMITTEE ON ENERGY AND NATURAL RESOURCES

The meeting was called to order by Senator Fred A. Kerr at _____
Chairperson

1:00 a.m./~~p.m.~~ on Tuesday, March 15, 1983, 19__ in room 123-S of the Capitol.

All members were present except: Senator Paul Feleciano (Excused)

Committee staff present: Lorraine Cobb, secretary

Conferees appearing before the committee:

Senator Leroy Hayden
Ed Peterson, KCC
Don Hayward, Revisor's Office

SENATE BILLS 161, 162 and 167

Senator Kerr called on Senator Hayden, sponsor of S.B. 161, 162 and 167. Senator Hayden stated since the magnitude of these bills is so great, it should be determined if they are constitutionally legal, and there is not sufficient time remaining in the 1983 session to give them sufficient consideration, he recommended that they be referred for an interim committee study. Senator Kerr noted that it is doubtful that these bills can apply to interstate contracts. Mr. Bob Anderson, Mid Continent, and Mr. Dick Brewster, Amoco, supported the suggestion of the sponsor of these bills.

H.C.R. 5004

Senator Kerr pointed out there are two similar resolutions in the House and Senate relative to "Take or Pay" contracts. He understands the House Resolution 5004 was amended to include a freeze on the price of gas, and he feels this Resolution should be considered by the full Senate Energy and Natural Resources Committee. He suggested and recommended the Senate Resolution not be considered further, and that HCR 5004 be considered by the full committee. Senator Angell agreed. Senator Kerr stated this is not an endorsement of HCR 5004 as amended. He will determine if this action is all right with Senator Chaney and Senator Feleciano.

SENATE BILL 209

Ed Peterson stated there was some question relative to the drafting problems of the amendments to be made. It was agreed the sunset in the bill as written would coincide with the previous Kansas Natural Gas Pricing Act. The sunset date is December 31, 1984. Mr. Peterson stated this would coincide with the NGPA.

There was discussion of the interpretation of "new gas". Mr. Peterson felt the bill should pertain to gas contracted for prior to July 1, 1983. The freeze would last for one year.

Mr. Peterson stated the discrepancy in the effective date perhaps arose due to the same bill having been introduced last year in April. He felt a clean up should be made so the ceilings are set at or about the time the bill becomes effective. The ceilings would be frozen 12 months from the effective date which would perhaps be May 1, 1983; the freeze would last until May 1, 1984. The rest of the bill would last only eight months. Senator Kerr stated he did not believe that would violate the amendments adopted. It was suggested the January 20, 1983 date be taken out as well as all references thereto with words to the effect "on the effective date of this act".

(MORE)

CONTINUATION SHEET

MINUTES OF THE SENATE · SUB COMMITTEE ON ENERGY AND NATURAL RESOURCES,
room 123-S, Statehouse, at 1:00 ~~xxx~~ p.m. on Tuesday, March 15, 1983, 19

Senator Kerr stated the subcommittee will present this bill to the full committee. He hopes to make the bill as clear and workable as possible. He understood there would still be authority on all gas contracted for prior to May 1, 1983.

Don Hayward is to make a balloon draft of the bill for the full committee incorporating all suggested changes.

Senator Angell inquired if KCC has knowledge of wells drilled, wells hooked up and wells in production. Mr. Peterson stated they have the data base but it would have to be assimilated. Senator Angell requested he determine how long this would take and the expense.

Senator Angell stated he understood a statement had been made that this bill would mean a savings to Kansas consumers of \$100 million, and asked Mr. Peterson if he agreed with that figure. Mr. Peterson stated Yes, as an estimate which he understood was the calculation done last year. Senator Angell asked for a compilation substantiating this figure, as soon as possible, so it could be presented to the full committee.

Senator Kerr stated this would be the last subcommittee meeting, and the meeting was adjourned.

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