Approved Date 3/23/92

| MINUTES OF THE HOUSE (| COMMITTEE ON | ENERGY & NATURAL RESOURCE | S |
|--------------------------------------|----------------|-------------------------------------|-----------------|
| The meeting was called to order by _ | Representative | Ken Grotewiel | at |
| | , | Chairperson | , |
| | | | |
| 3:35 %.MX /p.m. onMarc | ch 17 | , 19 <u>92</u> in room <u>526-S</u> | of the Capitol. |

All members were present except:
Representative Glasscock, excused
Representative McKechnie, excused

Committee staff present:

Raney Gilliland, Principal Analyst, Legislative Research Department Pat Mah, Legislative Research Department Mary Torrence, Revisor of Statutes Office Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Glenn Smith - Chief of Pipeline Safety, Kansas Corporation Commission Bill Bryson - Director, Conservation Division, KCC Mack Brown - KANEB Pipe Line Company, Wichita

Chairperson Grotewiel opened the hearing on SB 593.

 $\frac{\text{SB }593}{\text{rules}}$ - An act relating to gas pipeline safety; concerning certain rules and regulations; amending KSA 66-1,150 and repealing the existing section.

Glenn Smith, KCC, testified in support of \underline{SB} 593, stating that there are holes in the jurisdiction that the KCC is permitted to exercise over intrastate natural gas operators due to the limitations that exist under KSA 66-104. He said that these holes result in some Kansans being exposed to significantly greater risks of death or injury resulting from a natural gas pipeline failure. (Attachment 1)

Chairperson Grotewiel closed the hearing on SB 593.

The Chair opened the hearing on SB 677.

SB 677 - An act concerning oil and gas; relating to abandoned wells; amending KSA 1991 Supp. 55-179 and repealing the existing section.

Bill Bryson, KCC, testified in support of \underline{SB} 677. He said that this proposed amendment would reduce the amount of time spent on any one investigation, allowing either more investigations to proceed or more time to be spent in administering and conducting field surveillance in other program areas. (Attachment 2)

Chairperson Grotewiel closed the hearing on SB 677.

The Chair opened the hearing on SB 594.

SB 594 - An act establishing the hazardous liquid pipeline safety program.

Glenn Smith, KCC, testified in support of <u>SB 594</u>, stating that the purpose of this bill is to specifically provide the KCC the tools to operate an intrastate hazardous liquids pipeline safety program, and so certify to the U.S. Department of Transportation. (Attachment 3)

CONTINUATION SHEET

| MINUTES OF THE HOUSE | COMMITTEE ON | ENERGY | & | NATURAL | RESOURCES | |
|---|------------------|--------|----|----------|-----------|----------------|
| room <u>526-S</u> , Statehouse, at <u>3</u> | : 35xxxx/p.m. on | March | 17 | <u>.</u> | | , 19 <u>92</u> |

Mack Brown, KANEB Pipe Line Company, testified in opposition to \underline{SB} 594. He said that they oppose this bill because it will eventually cost the citizens of Kansas more for the transportation of petroleum products. He also said that adoption of this bill will result in setting up a department to take over the operations of the U.S. Department of Transportation within Kansas for both intra and interstate pipelines. (Attachment 4)

Chairperson Grotewiel closed the hearing on SB 594.

The Committee reviewed the minutes of March 2, 3, 4, and 5, 1992.

A motion was made by Representative McClure, seconded by Representative Thompson, to approve the March 2, 3, 4, and 5, 1992, minutes. The motion carried.

The meeting adjourned at 4:45 p.m.

COMMITTEE: ENERGY & NATURAL RESOURCES

DATE: 3/17/82

| NAME (PLEASE PRINT) | ADDRESS | COMPANY/ORGANIZATION |
|---------------------|--------------|----------------------|
| BUBRIEN | TOPERA | KCC |
| TOM DAY | TOPERA | : KCC |
| LEROY ANDERSON | WicHITA | KANEES PIPE LINE CO. |
| Mack E. Brown | Wichita | Kanel Pipeline Co. |
| Rick Liby | Topeka | Gehrt 2 Roberts |
| Larry KNOCHE | Topeke | KOHE |
| Nancy Heinz | Topoka | KCC |
| Lune Verileir | F. marip | Letiree |
| STEUE KEARNEY | TOPEKA | PETEM COLL HASSOC |
| Le Essenhauer | Sepeka | 1 LP-Has ason, |
| Randul Holmes | Plano | |
| Les leterson | TopeKA | Ks Petroleum CNCL |
| JIM LUDWIG | 1) | KPL |
| TREVA POTTER | TOPEKA | PEOPLES NAT. GAS |
| Gason Weber | Haven | Close-Up Kansas |
| Kevin Ball | Hutchinson . | Close-Up KS |
| Jamara Schrag | Haven | Close-Up Kansas |
| Gleny Smith | KEE Topeka | /CCC |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | = |
| | | |

House Committee on Energy and Natural Resources

March 17, 1992

Testimony of

Glenn Smith
Chief of Pipeline Safety
Kansas Corporation Commission

The Kansas Corporation Commission appreciates the opportunity to appear before you, and testify on behalf of SB 593.

The KCC has a state pipeline safety program that is considered by many in the industry as the standard of what a state program should be in terms of regulations and enforcement, with balance between public safety and cost. The statutes instituted by the legislature extending the utility's responsibility to the building wall and clarifying the KCC's right to seize evidence for determining the cause of failures, the additional resources dedicated to the program, and the ability to hire and retain trained and experienced engineers and inspectors are major factors that have contributed to the significantly improved natural gas safety record in Kansas.

3/17/92 House E+NR Attachment 1

1

There remains an area where significant improvement is needed. SB 593 addresses the need by extending KCC's authorization to adopt pipeline safety regulations that are applicable to any corporation or other business entity transporting natural gas in Kansas. With this statutory authorization the KCC can then apply for certification to operate a pipeline safety program covering all intrastate natural gas operators. Under the present Kansas statute (KSA 66-104) the KCC is not permitted to oversee the programs of operators that do not satisfy the definition of "public utilities," or those that do not meet the definition of "rendering gas utility service." Examples of operators that fall in these categories are some mobile home parks, some of the natural gas lines serving municipal electrical generating plants, and some lines that bypass the local gas distribution company and provide natural gas to an industrial plant.

While these facilities fall under the jurisdiction of the federal pipeline safety regulations, due to staffing limitations the federal Office of Pipeline Safety does not inspect these operators except after an "incident" has occurred. In the Kansas City office there are four (4)

engineers to oversee the interstate gas and hazardous liquids pipeline operators in twelve (12) states, to oversee any intrastate operators not under state jurisdiction, and to monitor the eleven (11) state programs that exist in this region.

One reasonably might ask, "Have there been problems?" The answer is "yes," but the problems to date have not resulted in deaths or injuries. During January, 1992, in Wichita, a mobile home park with approximately 175 units had gas service shut off for three (3) days when follow up to a gas odor complaint discovered that 32 of the units had leaks such that gas Subsequent investigation was present at the skirt of the trailers. revealed that the entire gas system was installed using sub standard piping and fittings, that no pressure tests were conducted to validate the system integrity, and no periodic leak surveys were conducted by the The KCC pipeline safety staff worked on behalf of the federal owner. pipeline safety office in conducting the initial investigation. pipeline safety office has issued a hazardous facility order that mandates replacement of the gas piping with proper materials, installation, and testing. A copy of that order is attached to my testimony. approximately 200 additional "master meter" operators in the state, and

the residents being served by those operators are "at risk" relative to the customers being served by the "public utilities." This could amount to as many as 25,000 Kansans being served by sub standard gas systems staffed by individuals not versed in the requirements of design, installation, testing, operations, and maintenance of the facilities that they operate. The jurisdictional operators of the state go beyond their legal requirements to assist "master meter" operators by conducting leak surveys for them, and by doing odor call checks for them, but are hesitant to do more for fear of assuming liabilities that they do have as a result of being good samaritans.

In at least four (4) counties in the state there are towns that own the gas lines that serve their municipal power plants. The KCC is precluded from exercising its regulatory oversight since these lines do not represent "public utilities." From discussion with city personnel and from their suppliers it appears that these lines are not operated and maintained in accordance with the pipeline safety regulations, and likely were not designed, installed, or tested in accordance with the regulations. The lines serving the power plants operate at pressures exceeding 100 pounds per square inch (psi), and run along the same city streets that the natural

gas distribution lines run. The distribution lines operate at pressures that range from 1/2 psi up to 60 psi, and are regularly checked to assure that public safety is maintained. It seems inconsistent public policy to regulate and inspect some lines, and not do so with others that put a portion of our citizens "at risk."

The third major category of intrastate natural gas lines that SB 593 would bring under KCC jurisdiction are those owned by entities other than public utilities that transport natural gas. With the deregulation of natural gas pricing, traditional supplier (producer), pipeline company, local distributor, and customer relationships have been modified. Now it is common for a producer to market natural gas to the ultimate consumer, who then arranges the transportation of the gas from its point of origin to the ultimate destination. This may take several forms, but one method is acquiring of transportation on an intrastate, or interstate, transmission pipeline to the proximity of the desired delivery, and arranging for a third party to construct and operate a pipeline from that point to the final delivery point. The operator of such a line would not meet the criterion of a public utility, and the KCC would be unable to exercise their jurisdiction in the situation. While such lines fall under federal jurisdiction, they too

5

are not inspected until after a catastrophic failure occurs.

In summary, there are holes in the jurisdiction that the KCC is permitted to exercise over intrastate natural gas operators due to the limitations that exist under KSA 66-104. These holes result in some Kansas residents being exposed to significantly greater risks of death or injury resulting from a natural gas pipeline failure. These exceptions are eliminated under the proposed language of SB 593. We encourage you to provide the KCC with the necessary statutory approval to address these problems.

DEPARTMENT OF TRANSPORTATION RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION WASHINGTON, D.C.

In the Matter of)
Churchill Group,)
d/b/a Regency Mobile Home Park)
Respondent.

CPF No. 32001-H

HAZARDOUS FACILITY ORDER

The Churchill Group owns and operates a natural gas pipeline distribution system, of the type known as a master meter system located in the Regency Mobile Home Park (Regency System) near Goddard, Kansas. The Regency System is subject to the requirements of the Natural Gas Pipeline Safety Act (NGPSA), 49 U.S.C. App. §§ 1671 et seq. and the natural gas pipeline safety regulations (49 C.F.R. Parts 192).

On January 24, 1992, the Central Region, Office of Pipeline Safety (OPS), received notification from the Kansas Corporation Commission (KCC) that it was investigating a report of gas odors at the Regency Mobile Home Park near Wichita, Kansas. KCC informed OPS that their on-scene personnel had detected leaking gas and had notified KPL, the natural gas supplier. KCC stated that the leaks were on the Regency System, a master meter system, and therefore, KCC lacked jurisdiction. Pursuant to Section 14 of the NGPSA, 49 U.S.C. App. § 1681, the Central Region, OPS, has initiated its own investigation. This Order is issued pursuant to Section 12(b) of the NGPSA, 49 U.S.C. App. § 1679b(b) and 49 C.F.R. § 190.233.

Preliminary Findings

a. The Regency Mobile Home Park consists of approximately 182 trailer pads and several associated buildings (e.g., office and machine shop). The Regency System was originally installed in 1966, with a majority of the System being replaced in 1978. KPL Gas Service Company (KPL) supplies natural gas to the Regency System through a single master meter. Respondent then provides

gas to the individual trailers by way of a distribution system owned and operated by the Respondent. The Regency System operates at three (3) psi and is regulated to seven inch (7") water column pressure by using Fisher S102 service regulators at each trailer pad. Natural gas is then metered at each trailer pad with an American-Singer meter. Regency Mobile Home Park personnel read the individual meters and bill the individual customers.

- b. The Regency System's mains are constructed of four inch (4") steel pipe, four inch (4") white PVC water pipe, two inch (2") white PVC water pipe and two inch (2") yellow gas pipe. The investigation did not reveal the exact lengths of each type of pipe used, because the Respondent does not have detailed maps of the piping comprising the system. The Regency System's service risers are standard polyethylene plastic to steel transition assemblies designed for gas service and satisfy the requirements of Part 192. However, 49 C.F.R. § 192.59 does not permit the use of the two (2") and four (4") inch white PVC piping described above, to be used in gas systems unless the piping has met the testing requirements of ASTM D-2513. The Regency System also contains segments constructed of two inch (2") polyethylene pipe. This polyethylene pipe is unmarked and, therefore, is not permitted for use in natural gas service (49 C.F.R. § 192.63).
- c. The Regency System's gas service lines are constructed of three-quarter inch (3/4") plastic pipe which appears to be a type of polyethylene which is frequently used in water distribution systems. The OPS investigation found that some of the Regency service lines are attached to the service risers with compression fittings which are designed for use in water distribution systems. In some instances, the service lines are attached to the main with a pipe nipple and a length of larger diameter tubing or hose slipped over both the pipe nipple and the end of the service line. These connections are then secured with stainless steel heater hose band clamps. I conclude from the above description that the Regency System contains a number of conditions which could jeopardize its safe operation. The actual extent of this type of construction will not be known until the Respondent excavates all of the System's service connections.
- d. The investigation revealed that Regency personnel had contacted KPL regarding a possible billing error. KPL responded to the inquiry by conducting a "flame ionization" leak detection survey. The survey detected thirty (30) Class 1 leaks. The detection of Class 1 leaks requires an operator to immediately repair the leaks. KPL, KCC and OPS, after evaluating the number of leaks and the danger posed to life and property, informed Regency Mobile Home Park that continued gas service would be extremely hazardous.

- e. On January 24, 1992, at approximately 5:30 P.M., KPL ceased providing gas service to the Regency Mobile Home Park. KPL personnel shut-off the master meter, plugged the inlet valve and locked the supply inlet valve to the master meter location. Regency tenants were notified of the shut-down and advised to find alternative shelter until gas service could be restored.
- f. KPL personnel assisted Regency personnel in excavating and venting the identified leak locations. These actions revealed that a majority of the leaks were at meter riser locations. These leaks were caused because the piping at the meter riser locations was coupled to the underground service line with a compression coupling designed for use on a water distribution system. The investigation revealed that neither the service riser plastic piping or the service line piping was equipped with internal stiffeners. The lack of the internal stiffeners caused the plastic piping to "cold flow" which permitted the gas to leak at the pipe/compression fitting interface surface.
- g. A local construction company and area plumbers along with Regency personnel made temporary repairs on 30 leaking risers. On January 27, 1992, by pressurizing the Regency System with air, a 3 psi lock-in test was performed on the System. This test revealed that the Regency System was still leaking gas. In order to pinpoint the remaining leaks, KPL personnel purged the Regency System by allowing gas to flow into the System. KPL personnel assisted Regency personnel in soap testing exposed fittings and conducting another "flame ionization" leak detection survey. These tests revealed that most of the gas was leaking around the cores of the meter valves. This type of leak was not considered to be an immediate danger, therefore, Regency personnel began restoring gas service to the individual mobile homes.
- h. The investigation revealed the Respondent's buried steel piping was not cathodically protected. In addition, brass water valves were used to connect underground steel piping which could increase corrosion.
- i. The investigation also revealed the tapping saddles on the System's mains are designed and manufactured for water systems and not for gas distribution systems.
- j. OPS determined the Respondent did not have an Operations and Maintenance Plan. In addition, the Respondent did not have an Emergency Plan.

<u>Determination that the Regency Trailer Court is a Hazardous Facility and Respondent's Right to a Hearing.</u>

Section 12(b) of the NGPSA, 49 U.S.C. § 1679(b), provides for the issuance of a Hazardous Facility Order, after reasonable notice and the opportunity for a hearing, which can include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other corrective action which the Secretary deems appropriate. The basis for determining that a pipeline facility is hazardous is set forth both in the above referenced statute and 49 C.F.R. § 190.233.

The regulations promulgated under Section 12(b), provide for the issuance of a Hazardous Facility Order without prior opportunity for notice and hearing upon a finding that a failure to issue the Order expeditiously would result in the likelihood of serious harm to life or property. Should such a finding be made, then an opportunity for a hearing will be provided as soon as practicable after the issuance of the Order.

Based on the preliminary findings of fact, I find that the resumed operation of the Respondent's gas distribution system without the Respondent taking certain corrective actions, would be hazardous to life or property. Additionally, after considering the known condition and nature of the pipe and its components, the proximity of residences, the gravity of the current leaks and the data on the causal factors of these leaks, I find that a failure to issue expeditiously a hazardous facility order, requiring immediate action, would result in the likelihood of serious harm to life or property.

Accordingly, this Hazardous Facility Order, mandating certain corrective actions be taken by the Respondent, is issued without prior notice and an opportunity for a hearing. The terms and conditions of this Order are effective upon receipt. Respondent has agreed that service by telecopy shall constitute receipt.

Within 10 days of receipt of this Order, the Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, delivered personally, by mail or by telecopy at (202) 366-4566. In the event of a hearing, it will be held in Washington, D.C. or Kansas City MO, on a date that is mutually convenient to both OPS and the Respondent.

Required Corrective Action

Pursuant to Section 12(b) of the NGPSA, I hereby order the Churchill Group to take the following corrective actions with respect to its natural gas distribution system located at the Regency Mobile Home Park. These requirements are in addition to all applicable requirements of 49 C.F.R. Part 192.

- Replace all of the piping and components of the Regency Mobile Home Park master meter natural gas distribution system which do not meet the pipe design, design of pipeline components and material requirements of 49 C.F.R. Part 192 as well as any noncathodically protected piping which is no longer serviceable. Replacement shall be conducted in accordance with all applicable requirements of 49 C.F.R. Part 192. Complete replacement within 60 days from receipt of this Order and, within 15 days of completion notify in writing the Chief, Central Region, OPS, 911 Walnut Street, Room 1811, Kansas City, Missouri 64106. If the Respondent decides against replacing its system, the Respondent shall cease operating the system for the distribution of natural gas. Regardless of whether the Respondent decides to replace its system, the Respondent is expressly prohibited from operating the System, in its present condition, after 60 days from receipt of this Order.
- 2. Until replacement prescribed in Paragraph 1 is complete, conduct leak surveys with "flame ionization" leak detection equipment on the Regency natural gas distribution system at not more than seven (7) day intervals. Immediately investigate and take the appropriate corrective action with respect to all leaks detected during these surveys. Within 3 days of completion of each weekly survey, submit to the Chief, Central Region, OPS, a written report on the survey and any actions taken regarding each leak detected.
- 3. Maintain a 24 hour emergency response number to receive and handle all gas related calls from Regency tenants. Maintain a log of all calls received and their disposition. This 24 hour emergency response requirement remains in effect until the Respondent completes its replacement program or the System is no longer used to distribute natural gas.
- 4. Continue to take actions, such as venting, which mitigate the hazards of existing leaks as well as any leaks identified by future leak surveys. This requirement will remain in effect until the Respondent completes its replacement program or the system is no longer used for the distribution of natural gas.

- 5. If Respondent continues operation of the Regency System, the system must be designed, constructed, operated and maintained in accordance with all applicable requirements of 49 C.F.R. Part 192. This includes implementation of a written training program to ensure that Regency personnel responsible for the operation of the Regency System are familiar with the Regency System and the requirements of 49 C.F.R. Part 192. This training program should emphasize the requirements of §§ 192.453, 192.605, and 192.615. Within 60 days from the receipt of this Order, submit for approval the training program to the Chief, Central Region, OPS.
- 6. The Chief, Central Region, OPS, may upon written request and good cause shown, extend any of the compliance dates in this Order.

Failure to comply with this Order may result in the assessment of civil penalties of not more than \$10,000 per day and in referral to the Attorney General for appropriate relief in United States District Court. The procedures for the issuance of this Order are described in Part 190, Title 49, Code of Federal Regulations. Section 190.233, a copy of which is enclosed, is made part of this Order and describes the Respondent's procedural rights relative to this Order.

George W. Tenley, Jr.,
Associate Administrator
for Pipeline Safety

W. W.

Date Issued: <u>Lan. 29, 1992</u>

Enclosure --

TESTIMONY ON SENATE BILL 677 BY THE KANSAS CORPORATION COMMISSION PRESENTED BEFORE THE HOUSE ENERGY AND NATURAL RESOURCE COMMITTEE

March 17, 1992

I am Bill Bryson, Director of the Kansas Corporation Commission's Conservation Division and am appearing on behalf of the Commission in support of Senate Bill 677. This bill proposes amendments to K.S.A. 1989 Supp. 55-179 relating to responsibility for pollution from abandoned wells.

Introduction

The proposed amendment in Senate Bill 677 to K.S.A. 1989 Supp. 55-179 would change the language "shall include" in paragraph (b) to "may include" for determining legally responsible party. This would change the wording of 55-179 (b) back to what it was prior to the passage of HB 3078 in 1986 when the term "may include" appeared in K.S.A. 55-140. Attached are copies of the repealed statute 55-140 and 55-179 as amended in 1986. The portions of both statutes which are the subject of this discussion have been highlighted.

- K.S.A. 1989 Supp. 55-179 currently requires the Commission to make an investigation of any complaint filed pursuant to K.S.A. 1989 Supp. 55-178 to determine if any abandoned well is polluting or likely to pollute any usable water supply or causing the loss of usable water through downward drainage. As part of the investigation, the Commission must determine:
- (1) whether the abandoned well is causing or likely to cause pollution or loss and
- (2) whether a person legally responsible for the care and control of the well exists.
- K.S.A. 1989 Supp. 55-179 (b) currently specifies that the determination of legally responsible person shall include, but not be limited to:
- (1) any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water:
- (2) The current or last operator of the lease upon which the well is located, irrespective of whether such operator plugged or abandoned the well, and
- (3) the original operator who plugged or abandoned the well.

From a practical standpoint the Commission has primarily viewed the current or last operator of the lease upon which the well is located as the legally responsible person, largely because the statute indicates that the current or last operator can be considered "irrespective of whether such operator plugged or abandoned such well." The emphasized language essentially places a duty on the current or last operator to

3/17/92 House EXNR Ottachment 2 take proper care and control of any abandoned or plugged well on the lease regardless of his fault. This does not preclude the necessity for the Commission to have the flexibility to enjoin previous operators of a well when the occasion dictates that such action is a more reasonable approach to resolving the problem.

Nevertheless, it has been the Commission's traditional position that any current or last operator deemed legally responsible should be required to properly plug and abandon the well. If the operator believes he's been found unjustly responsible, he is in a better position than the Commission to pursue his predecessors in interest for reimbursement since he should have knowledge of their existence and whereabouts through the chain of lease assignments to which he is a party. The Commission only has access to such leases and agreements to the extent they are recorded in the Register of Deeds Offices, which recording is not required by law.

The use of the language "shall include", however, <u>requires</u> that the Commission consider all of the persons listed in K.S.A. 1989 Supp. 55-179 (b) as well as any other person who may conceivably be in the chain of possession of the well. Such an exhaustive investigation is extremely time-consuming and ultimately defeats the purpose of K.S.A. 1989 Supp. 55-179, which is to protect groundwater resources and to reduce the deterioration of groundwater quality resulting from land use activities. Arguably, the "shall include" language attempts to require the Commission to determine legal responsibility under the comparative negligence doctrine. However, this reading of the statute is inconsistent with the more specific language making the current or last operator legally responsible, irrespective of whether such operator plugged or abandoned the wells. In order to eliminate this inconsistency, and in recognition of the prior long-standing use of "may include" which gives the Commission flexibility and discretion in determining legal responsibility, the Commission supports the proposed amendment to 55-179 (b).

FISCAL IMPACT

The proposed amendment of K.S.A. 1989 Supp. 55-179 will reduce the Commission's expenditure of investigation and hearing time in determining legal responsibility. A typical investigation currently takes approximately 50 man-hours of field personnel time valued at an average of \$35.00 per hour. Preparation for and hearing takes approximately 29-45 man-hours of legal staff time valued at \$33.00 per hour. A couple of years ago, we did a random survey of two areas in Eastern Kansas to determine how much personnel time would be spent on researching responsible party as directed by the current wording of K.S.A. 55-179 (b). Table I shows the result of the survey and is representative of what effort is currently required in Eastern Kansas. Table II shows a page from our current Fee Fund expenditure report and is intended to illustrate how the amount of time spent by field office and legal staff can actually exceed the cost of plugging the well with Fee Fund money.

The number of potentially responsible persons reviewed can vary with the age of the well, but typically involves investigation of at least four persons and as Table I

22

and II indicates, a lot more in Eastern Kansas. District #3 is in Eastern Kansas. The proposed amendment should reduce these costs by approximately two-thirds for a savings of \$2,000 for each typical investigation and hearing. Last fiscal year, approximately 124 investigations were conducted and in the first half of FY 92 approximately 69 investigations have been conducted. In FY 1991, one lease had 69 wells to plug with Fee Funds and different partners had completed wells at different times over a 60 year period. Some of the wells were not included in later activities by the lease operators.

In addition, the proposed amendment would reduce the amount of time spent on any one investigation, allowing either more investigations to proceed or more time to be spent in administering and conducting field surveillance in other program areas. No additional positions or operating expenditures would be required to implement the amendment in SB 677. These identified savings would be anticipated to continue in the future.

An immeasurable fiscal impact of retaining the current statutory language is that the Commission staff cannot investigate and resolve as many abandoned well problems each year. We would rather address the potential environmental harm through field investigation and plugging that tie up staff resources in research of potentially responsible parties most of which are either out of country or deceased.

The Commission asks that you recommend this bill for passage.

TABLE I

MONTGOMERY COUNTY - 9 LEASES

- 1. Percent of last owner, 89% correct
- 2. Percent of all owner, 22% correct
- 3. Number of times lease changed ownership, average 18.1
- 4. Time spent to determine last owner, average 1.75 hours
- 5. Time spend to determine all owners, average 31.6 hours

COFFEY COUNTY (LEROY FIELD) - 19 LEASES

- 1. Percent of last owner, 57.9% correct
- 2. Percent of all owners, 15.7% correct
- 3. Number of times lease changed ownership, average 11.3
- 4. Time spent to determine last owner, average 2.0 hours
- 5. Time spent to determine all owners, average 22.6 hours

TOTAL SURVEY

- 1. Percent of last owner, 73% correct
- 2. Percent of all owner, 18.8 correct
- 3. Number of time lease changed ownership average 14.7
- 4. Time spent to determine last owner average 1.87 hours
- 5. Time spent to determine all owners average 27.1 hours



| DIST | REQ DATE | LEASE NAME | EST EXP | COMMENTS | ACTUAL TOTAL |
|------|-------------|-----------------|-----------|----------|-----------------|
| 3 | 9/4/91 | ARRIS SIGLE | LOCAL | | 180.00 |
| 3 | 3/3/92 | B. BEURSKENS | 5275.00 | OW 1 | |
| 3 | 3/3/92 | B. BEURSKENS | 5275.00 | OW 2 | |
| 3 | 9/13/91 | BROOKS 1 | 3800.00 | | 3369.20 |
| 3 | 9/13/91 | BROOKS 2 | 5400.00 | | 3728.21 |
| 3 - | 9/13/91 | BROOKS 3 | 5700.00 | | 3778.71 |
| 3 | 7/12/91 | BURKART FARM | 15000.00 | | 12109.78 |
| 3 | 3/6/92 | BURNS MPR 3 | 2500.00 | | |
| 3 | 10/9/91 | BURRIS OW-1-91 | 2621.00 | | 1065.40 |
| 3 | 1/15/92 | BURTISS OW 8 | 3873.50 | | |
| 3 | 10-8-91 | CHIPLEY OW 1 | 2815.00 | | |
| 3 | 12/17/91 | CLARK 01 | 5367.00 | | |
| 3 | 10-8-91 | CLAUDIA MAY 2 | 5530.00 | | 14147.38 |
| 3 | 2/7/92 | CLIFFORD E.NEIS | 5 2025.00 | | |
| 2 | 11/19/91 | COLLISON #2 | | | 868.59 |
| 3 | 8/13/91 | D.SHARP #1 | 1500.00 | | 735.44 |
| 3 | 8/13/91 | D.SHARP #2 | 2390.90 | | 1642.76 |
| 3 | 8/13/91 | D.SHARP #3 | 1500.80 | | 1393.86 |
| 3 | 8/13/91 | D.SHARP #4 | 2650.70 | | 1613.36 |
| 3 | 8/13/91 | D.SHARP #5 | 1500.80 | | 1414.86 |
| 3 | 8/13/91 | D.SHARP #6 | 2650.70 | | 1502.36 |
| 3 | 8/13/91 | D.SHARP #7 | 2650.70 | | 962.36 |
| 3 | 8/13/91 | DEMOSS #1 | 3700.00 | | 2757.00 |
| 3 | 9-6-91 | DEMOSS #2 | 3500.00 | | 2719.00 |
| 3 | 9-6-91 | DEMOSS #3 | 3500.00 | | 2284.80 |
| 3 | 2-11-92 | DAVE DRISKELL | 1189.00 | | |
| 1 | 1-13-92 | ED PETERSON | 3871.72 | OWWO 1 | 3194.59 |
| 3 | 9/24/91 | ELK CITY #2 | 7206.00 | | 6487.13 |
| 4 | 8/8/91 | ESFELD B#1 | 6923.00 | | 4570.86 |
| 4 | 8/8/91 | ESFELD B#2 | 6923.00 | | 4082.11 |
| 2 | | EQUAS BEDS | | LOCAL | 413.50 |
| 3 | 1/15/92 | FRAKER OW 6 | 3873.50 | | |

| IST OFF | REQ DATE | LEASE NAME | EST | COMMENTS | ACTUAL TOTAL |
|------------|-------------|----------------|---------|-------------|-----------------|
| 3 | 1/15/92 | FRAKER OW 7 | 3873.50 | | |
| 3 | 2/7/92 | FRAKER OW 8 | 3749.00 | | |
| 3 | 2/7/92 | FRAKER OW 9 | 4467.00 | | |
| 1 | 2/19/92 | FRANK #2 | 4900.00 | | |
| 3 | | FOWLER REMED | | REMEDIATION | 16456.10 |
| 1 | 8/13/91 | FULTON | 6453.00 | | 4760.74 |
| 3 | 2/19/92 | GOLLIHAR | 3977.60 | | |
| 3 | 11/4/91 | GRAY NO 1 | 3782.50 | | 3519.50 |
| 3 | 11/4/91 | GRAY NO 2 | 2408.50 | | 5528.00 |
| 4 | 9/24/91 | HAMMERSCHMIDT | 3406.96 | #1 OIL | 3579.83 |
| 4 | 9/24/91 | HAMMERSCHMIDT' | 2837.80 | #1 SWD | 3565.58 |
| 3 | 8/28/91 | HINES OW 1 | 1899.00 | | 893.00 |
| 3 | 9/24/91 | HOLIDAY OG 1 | 5514.00 | | 5837.80 |
| 3 | 9/24/91 | HOLIDAY OW 2 | 4537.00 | | |
| 3 | 9/24/91 | HOLMBERG 1 | 3500.00 | | 2790.07 |
| 3 | 9/24/91 | HOLMBERG 2 | 3500.00 | | 2607.59 |
| 3 | 9/24/91 | HOLMBERG 3 | 3500.00 | | 2225.64 |
| 3 | 9/24/91 | HOLMBERG 4 | 3500.00 | | 2465.50 |
| 3 | 9/24/91 | HOLMBERG 5 | 3500.00 | | 1772.35 |
| 3 | 9/24/91 | HOLMBERG 6 | 3500.00 | | 2356.05 |
| 3 | 9/24/91 | HOLMBERG 7 | 3500.00 | | 2000.00 |
| 3 | 10-8-91 | HUGHES OW 1 | 4509.00 | | 3138.85 |
| 3 | 2/12/92 | K.C.INDUSTRIAL | 861.40 | | |
| 3 | 7/9/90 | JAMES KIRK #1 | 2680.00 | | |
| 3 | 8/13/91 | K.DEMERITT 1 | 3833.50 | | 1307.60 |
| 3 | 1/23/92 | K-39 REMEDIA. | 5625.00 | | 5625.00 |
| 3 | 8/13/91 | K.DEMERITT 2 | 3833.50 | | 919.90 |
| 3 | 8/13/91 | K.DEMERITT 3 | 3833.50 | | 1169.45 |
| 3 | 8/13/91 | K.DEMERITT 4 | 3833.50 | | 1147.45 |
| 4 | 12/20/91 | KELLER 1 | 4756.85 | | |
| 3 | 10-8-91 | KINNE 4-B | 1557.75 | | 856.15 |
| 3 | 10-8-91 | KINNE OW 2 | 1557.75 | | 843.40 |
| 4 | 11/12/91 | KUPPETZ A NO 1 | 5504.32 | | 7930.62 |
| | | | | | 0 1 |

| OFF | REQ DATE | LEASE NAME | EST EXP | COMMENTS | ACTUAL TOTAL |
|-----|-------------|----------------|-------------|----------------|-----------------|
| 2 | 8/13/91 | L.WATERFLOOD | 3980.00 | L19-1 | 6023.75 |
| 2 | 8/13/91 | L.WATERFLOOD | 3205.00 | L19-2 | 2302.15 |
| 2 | 8/13/91 | L.WATERFLOOD | 3805.00 | L19-5 | 5068.30 |
| 2 | -/ / | L.WATERFLOOD | 3805.00 | L19 - 7 | 5257.00 |
| 3 | 10-8-91 | LAIRD OW 1 | 4509.00 | | |
| 3 | 1-13-92 | LARUE OW 1 | 696.75 | | |
| 1 | 3/89 | MACKSVILLE | | | 11257.42 |
| 3 | 12/19/90 | MASSEY OW 1 | 1700.00 | | 1485.80 |
| 3 | 1/15/92 | MATHIAS TUCKER | 3873.50 | OW 9 | |
| 3 | 1/15/92 | MATHIAS TUCKER | 3873.50 | OW 10 | |
| 3 | 1/15/92 | MATHIAS TUCKER | 3873.50 | OW 11 | |
| 3 | 3/9/92 | MATHIAS TUCKER | 4353.50 | OW 12 | |
| 3 | 10/9/91 | MCDONALD | 2500.00 | | 4287.80 |
| 3 | 8/28/91 | MIH OW 1 | 1656.50 | | 1114.50 |
| 3 | 8/28/91 | MIH OW 2 | 1656.50 | | 697.60 |
| 3 | 9/24/91 | MINNIE BROWER | 3500.00 | | 3023.61 |
| 3 | 12/17/91 | MUELLER OW 9 | 2760.00 | | 1147.00 |
| 3 | 12/17/91 | MUELLER OW 10 | 2760.00 | | 2347.00 |
| 3 | 12/17/91 | MUELLER OW 11 | 2760.00 | E. | 1610.00 |
| 2 | 8/23/91 | PEARSON C-1 | 533.00 | LOCAL | 533.00 |
| 3 | 3/6/92 | REDBURN OW 1 | 3247.75 | | |
| 3 | 3/6/92 | REBDURN OW 2 | 3247.75 | | |
| · 1 | | RHODES FIELD | INVESTIGAT | TION | 354.16 |
| 4 | FY91 | RICHMEIER PAXO | N INVESTIGA | NOITA | 158.84 |
| 4 | 2/19/92 | RIDLER LEASE | 500.00 | | 575.10 |
| 4 | 9/24/91 | RITTER 1 | 7600.00 | | 2369.63 |
| 4 | 9/24/91 | RITTER 2 | 2200.00 | | 1162.23 |
| 4 | 9/24/91 | RITTER 3 | 2200.00 | | 2071.93 |
| 3 | | RUTTER 1 | | | 4240.60 |
| 3 | 10-8-91 | RUTTER 2 | 5200.00 | | 3775.00 |
| | | | | | |

| OFF | REQ DATE | LEASE NAME | EST EXP | COMMENTS | ACTUAL TOTAL |
|------|-------------|----------------|-------------|-----------|-----------------|
| 3 | 9/6/91 | R.W.FELTS 2 | 5000.00 | TO DATE | 2596.50 |
| 1 | 1-13-92 | SIEFERS B-2 | 5887.16 | | 6079.96 |
| 3 | 12/19/90 | SMITH #2 | 1700.00 | | 1533.50 |
| 3 | 8/13/91 | SMITH 1-91 | 1700.00 | | 1649.26 |
| 3 | 8/13/91 | SMITH 2-91 | 1700.00 | | 1619.26 |
| 3 | 8/13/91 | SMITH 3-91 | 1700.00 | | 1627.26 |
| 3 | 8/13/91 | SMITH 4-91 | 1700.00 | | 1628.26 |
| 3 | 8/13/91 | SMITH 5-91 | 1700.00 | | 1628.22 |
| 3 | 8/28/91 | SNAKE PARK | 1200.00 | | |
| 4 | 8/27/91 | S.BITTER 5 | 3035.00 | | 2870.58 |
| 4 | 8/27/91 | S.BITTER B-9 | 3035.40 | | 3048.88 |
| 4 | 8/27/91 | S.BITTER B-15 | 3035.00 | | 3458.63 |
| 3 | 8/13/91 | SPRINGER OW 1 | 7500.00 | | 3513.02 |
| 3 | 10-8-91 | SPRINGER 1 | 7750.00 | | 2573.20 |
| 4 | 2/19/92 | STATE RIVERBED | 1000.00 | | 831.66 |
| 3 | 10-8-91 | TRAVIS OW 1 | 3940.25 | | |
| 3 | 10-8-91 | WARD LEASE | 3000.00 | | 2015.00 |
| 1 | 3/10/92 | WILDBOYS 2 | 5000.00 | | 2922.63 |
| 3 | 8/91 | WINGATE NW 1 | | To date: | 5919.89 |
| 3 | 12/17/91 | WOLF 01 | 5640.00 | | |
| 3 | 10-8-91 | WOODMAN OW291 | 2315.55 | | 2181.00 |
| TOTA | L APPROVED | EST TO DATE: 3 | 99,537.49 | | 265,909.56 |
| | | N | ot incl. Ma | acksville | 254,652.14 |

Update: March 10, 1991

Nedra Olenick

- 55-140. Same; investigation by secretary or commission; findings; responsibility for remedial action; costs; hearings and orders; presumption of polluting, when. (a) Upon receipt of any complaint filed pursuant to K.S.A. 55-139, and amendments thereto, the commission or the secretary shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission or the secretary may initiate such investigation on its own motion. If the commission or the secretary shall determine:
- That such abandoned well is causing or likely to cause such pollution or loss; and (2)(i) that no person is legally responsible for the proper care and control of such well; or (ii) that such person so legally responsible for the care and control of such well is dead or no longer in existence or insolvent or cannot be found, then, within 60 days after completing its investigation, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water. The cost of such plugging shall be paid by the commission from the conservation fee fund. For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well may include, but is not limited to, the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located,

irrespective of whether such operator plugged or abandoned such well; and the original operator who plugged or abandoned such well.

- (b) Whenever the commission or the secretary determine that a well has been abandoned and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, and whenever the commission or the secretary shall have reason to believe that a particular person is legally responsible for the proper care and control of such well, the commission shall cause such person to come before it at a hearing held substantially in the manner prescribed by K.S.A. 55-605, and amendments thereto, and to show cause why the requisite care and control has not been exercised with respect to such well. After such hearing, if the commission finds that such person is legally responsible for the proper care and control of such well and that such well is abandoned, in fact, and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, the commission may make any order or orders prescribed in K.S.A. 55-Proceedings for rehearing and review of any of commission's orders may be held pursuant to K.S.A. 55-606, and amendments thereto.
- (c) For the purpose of this act and the acts of which this act is amendatory, any well which has been abandoned, in fact, and has not been plugged pursuant to the rules and regulations in effect at the time of plugging such well shall be and is hereby deemed likely to cause pollution of a usable water strata or

K.S.A. 55-140 Page 3

supply.

History: L. 1949, ch. 308, Section 2; Lo. 1953, ch. 284,
Section 3; L. 1971, ch. 187, Section 3; L. 1982, ch. 222, Section
18, July 1.

- 55-179. Investigation of complaint by the commission; findings; responsibility for remedial action; costs; hearings; orders. (a) Upon receipt of any complaint filed pursuant to K.S.A. 1987 Supp. 55-178 and amendments thereto, the commission shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission may initiate such investigation on its own motion. If the commission determines;
- (1) That such abandoned well is causing or likely to cause such pollution or loss; and
- (2) (A) that no person is legally responsible for the proper care and control of such well; or (B) that such person so legally responsible for the care and control of such well is dead or no longer in existence or insolvent or cannot be found, then, within 60 days after completing its investigation, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water. The costs of such plugging shall be paid by the commission from the conservation fee fund.
- (b) For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well shall include, but is not limited to, the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located,

2112

irrespective of whether such operator plugged or abandoned such well; and the original operator who plugged or abandoned such well.

- Whenever the commission determines that a well has been abandoned and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, and whenever the commission has reason to believe that a particular person is legally responsible for the proper care and control of such well, the commission shall cause such person to come before it at a hearing held in accordance with the provisions of the Kansas administrative procedure act to show cause why the requisite care and control has not been exercised with respect to such well. After such hearing, if the commission finds that such person is legally responsible for the proper care and control of such well and that such well is abandoned, in fact, and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, the commission may make any order or orders prescribed in K.S.A. 55-162, and amendments thereto. Proceedings for reconsideration and judicial review of any of the commission's orders may be held pursuant to K.S.A. 55-606, and amendments thereto.
- (d) For the purpose of this section, any well which has been abandoned, in fact, and has not been plugged pursuant to the rules and regulations in effect at the time of plugging such well shall be and is hereby deemed likely to cause pollution of any usable water strata or supply.

(e) For the purpose of this section, the person legally responsible for the proper care and control of an abandoned well shall not include the landowner or surface owner unless the landowner or surface owner has operated or produced the well, has deliberately altered or tampered with such well thereby causing the pollution or has assumed by written contract such responsibility.

History: L. 1986, ch. 201, Section 31; L. 1986, Ch. 356, Sec.
165; July 1.

owners and mortgagees of oil and gas interests of record. Notice of the application and the time and place of the hearing thereof shall be properly mailed by the applicant, postage prepaid, at least ten (10) days prior to the date set for the hearing, to all persons whose names and addresses are shown on the list. addition thereto notices of all applications filed pursuant to this act and the time and the place of the hearing thereof shall be published in at least one (1) issue of a newspaper authorized by law to publish legal notices in the county or counties in which the lands involved are located and in such other newspaper as the commission may designate at least ten (10) days prior to the date The giving of the notice herein required set for the hearing. shall be by the commission: Provided, The commission may require that the applicant or applicants advance the money with which to pay the cost thereof.

History: L. 1967, ch. 299, Section 10; L. 1974, ch. 231,
Section 1; July 1.

House Committee on Energy and Natural Resources

March 17, 1992

Testimony of

Glenn Smith
Chief of Pipeline Safety
Kansas Corporation Commission

The Kansas Corporation Commission (KCC) appreciates the opportunity to provide testimony supporting SB 594, an act establishing the hazardous liquid pipeline safety program.

Regulation of common carriers, including pipeline companies, has a long history in Kansas extending back at least to 1911. Pipeline companies have been considered common carriers at least since 1923. Under existing Kansas statutes the KCC "is given full power, authority and jurisdiction to supervise and control the common carriers..." (KSA 66-1,216). Additionally, KSA 66-1,223 charges the commission to "...examine and inspect the condition of each common carrier, its equipment, the manner of its conduct and its management with reference to the public safety and convenience." Unfortunately, this charge alone is not sufficient for the

3/17/92 House E+NR Attachment 3

1

KCC to fulfill the mandate.

Under the "Hazardous Liquid Pipeline Safety Act of 1979" (U.S.C. 2001 as amended) the U.S. Secretary of Transportation is responsible for developing and enforcing safety standards for hazardous liquid pipelines. The Secretary may certify states to operate such programs on intrastate lines if the state submits an annual certification that they have jurisdiction over the safety standards and practices of intrastate pipeline facilities, transportation of hazardous liquids through those facilities, and certain administrative matters that demonstrate that the program is being administered in accordance with the certification agreement. The purpose of SB 594 is to specifically provide the KCC the tools to operate a hazardous liquids pipeline safety program, and so certify to the U.S. Department of Transportation.

The act, as proposed, contains three (3) operative sections. The first authorizes the KCC to adopt rules and regulations necessary to be in compliance with the Hazardous Liquid Pipeline Safety Act of 1979. This wording permits the commission to update and revise the regulations as the federal regulations change, as approved by the commission in

accordance with the Kansas administrative procedures. The second section permits the commission to assess civil penalties up to the maximum amounts permitted by the federal regulations. The third section of this act permits the assessment of fees against the operators subject to this act to fund the portion of the program funds not covered by the federal grant. The federal grant is capped at 50% of the program costs, and in recent years has averaged in the 40-50% range for state programs that were in full compliance with the federal requirements. At this time the only known area of non compliance with the federal mandates would be the lack of a mandatory damage prevention bill (one-call), which is the topic of a separate bill in the senate.

In summary, SB 594 provides enabling legislation to follow through on existing mandates. The KCC again requests your support in this effort.

NAML MACK E. BROWN

TITLE: VICE PRESIDENT - ENGINEERING & OPERATIONS COMPANY: KANEB PIPE LINE COMPANY, WICHITA, KANSAS

KANEB PIPE LINE COMPANY, IN 1953, CONSTRUCTED THE FIRST COMMON CARRIER LIQUID PIPE LINE IN THE UNITED STATES NOT AFFILIATED WITH AN OIL COMPANY.

KANEB'S PIPE LINE STARTS AT ARKANSAS CITY, KS. AND HAS CONNECTIONS TO ALL THE SOUTHERN KANSAS REFINERIES AND PROGRESSES NORTH INTO NEBRASKA, SOUTH DAK., NORTH DAK., AND IOWA.

THE MAJORITY OF OUR PIPE LINE WAS CONSTRUCTED, USING SELF IMPOSED SAFETY STANDARDS. OUR SYSTEM MEETS ALL THE HAZARDOUS LIQUID PIPELINE SAFETY ACT REQUIREDMENTS EVEN THOUGH IT WAS CONSTRUCTED PRIOR TO 1974 WHEN THE ACT WAS FIRST PASSED.

THE UNITED STATES LIQUID PETROLEUM PIPE LINES ARE THE SAFEST MODE OF TRANSPORTATION KNOWN TO MAN, INCLUDING ROLLER SKATES AND BICYCLES.

OVER THE PAST 15 TO 20 YEARS WE HAVE AVERAGED AROUND 3 FATALITIES PER YEAR. MOST LIQUID PIPE LINE FATALITIES RESULT FROM DAMAGE BY OUTSIDE FORCE, NAMELY UNDERGROUND EXCAVATION.

WE ARE REGULATED BY THE FEDERAL ENERGY REGULATORY COMMISSION, THE U.S. DEPARTMENT OF TRANSPORTATION, AND THE OCCUPATIONAL SAFETY AND HEALTH AGENCY.

KANEB PIPE LINE COMPANY DOES NOT HAVE A BONE TO PICK WITH THE KANSAS CORPORATION COMMISSION, BUT WE WANT YOU TO BE AWARE THAT IF THEY ARE AUTHORIZED TO "ADOPT SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO BE IN CONFORMANCE WITH THE HAZARDOUS LIQUID PIPE LINE SAFETY ACT OF 1979, AS AMENDED" AS STATED IN SENATE BILL NO.594, YOU WILL BE SETTING UP A DEPARTMENT TO TAKE OVER THE OPERATIONS OF THE U.S. DEPT. OF TRANSPORTATION WITHIN KANSAS FOR BOTH INTRA AND INTERSTATE PIPELINES. THEY WILL NOT BE ABLE TO ENFORCE MORE STRINGENT REGULATIONS ON INTERSTATE PIPE LINES THAN THOSE OF THE U.S. DEPARTMENT OF TRANSPORTATION.

WE ARE NOW ASSESSED AN INSPECTION FEE OF APPROXIMATELY \$18,000 DOLLARS EACH YEAR BY THE U.S. DEPARTMENT OF TRANSPORTATION OFFICE OF PIPE LINE SAFETY. IT IS MY UNDERSTANDING THAT PIPE LINES THAT HAVE FACILITIES WITHIN STATES THAT HAVE SENT THEIR EMPLOYEES TO SCHOOL TO BE CERTIFIED TO INSPECT HAZARDOUS LIQUID PIPE LINE SYSTEMS STILL HAVE TO PAY THE OFFICE OF PIPE LINE SAFETY FEES.

WE DELIVER ONE GALLON OF PRODUCTS FROM ARKANSAS CITY TO CONCORDIA, KS FOR ONE AND SEVENTEEN HUNDREDTHS CENTS PER GALLON. WE DELIVER A 42 GALLON BARREL OF GASOLINE OR FUEL OIL FOR FORTY NINE CENTS OVER THE SAME ROUTE, THAT'S LESS THAN YOU CAN MAIL TWO LETTERS.

WE OPPOSE BILL NO.594 BECAUSE IT WILL EVENTUALLY COST THE CITIZENS OF KANSAS MORE FOR THE TRANSPORTATION OF PETROLEUM PRODUCTS. WE NEED ALL THE MONEY WE CAN FIND JUST TO COMPLY WITH THE E.P.A. REGULATIONS.

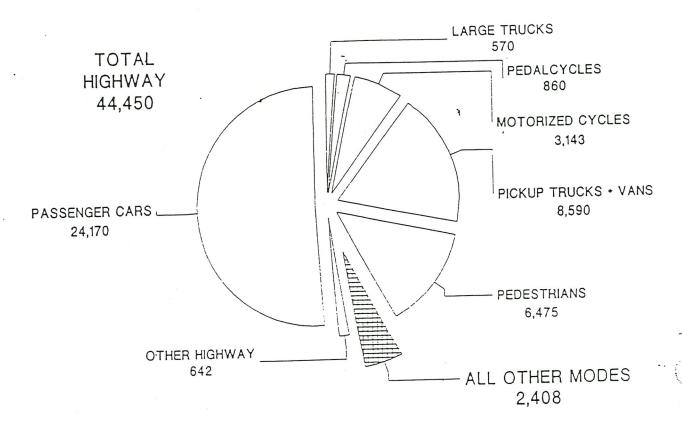
JUST FOR FUN, WHEN YOU GET BACK, AND SETTLE DOWN, TRY TO FIGURE OUT HOW YOU COULD GET OUT OF THE SHOWER, BRUSH YOUR TEETH, COMB YOUR HAIR, PUT ON YOUR UNDERCLOTHES, GET DRESSED, PUT ON YOUR SHOES, GET TO WORK, AND DO YOUR JOB WITHOUT PRODUCTS MADE FROM PETROLEUM. I TRIED IT, I COULDN'T BRUSH MY TEETH, COMB MY HAIR, GET DRESSED, WEAR SHOES, AND WOULD HAVE TO WALK TO WORK NAKED. I COULDN'T EVEN RIDE MY BICYCLE. IT'S TIME WE ALL START THINKING HOW IMPORTANT THE PETROLEUM INDUSTRY IS TO US. $\frac{3/17/92}{1}$

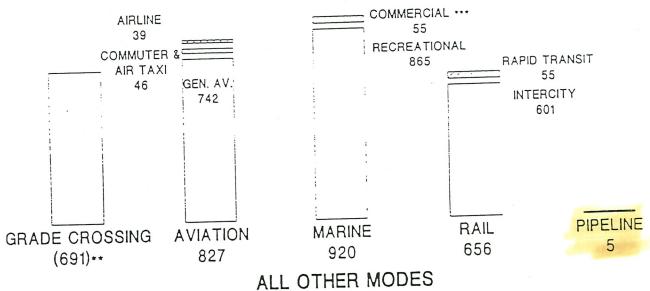
House E+NR

attackment 4

NATIONAL TRANSPORTATION SAFET . BOARD WASHINGTON, D.C. 20594

TRANSPORTATION FATALITIES * 46,858 IN 1990





- PRELIMINARY ESTIMATES
- ** GRADE CROSSING FATALITIES ARE REPORTED IN HIGHWAY AND RAIL
- *** 75% OF COMMERCIAL MARINE ACCIDENT RECORDS HAVE BEEN RECEIVED