

Approved

Ken Grotewiel
Date 3/31/92

MINUTES OF THE HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES

The meeting was called to order by Representative Ken Grotewiel at
Chairperson

3:45 ~~am~~ p.m. on March 26, 1992 in room 526-S of the Capitol.

All members were present except:

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:

none

Chairperson Grotewiel called for discussion and possible action on previously heard bills.

The Chair distributed and reviewed a balloon for SB 593, to expand KCC authority over pipelines. (Attachment 1)

SB 593 - An act relating to gas pipeline safety; concerning certain rules and regulations.

A motion was made by Representative Gatlin, seconded by Representative Shore, to adopt the balloon amendments for SB 593. The motion carried.

A motion was made by Representative McKechnie, seconded by Representative Correll, to pass SB 593 favorable as amended. The motion carried.

The Chair directed the Committee to turn to HB 3167.

HB 3167 - An act concerning the public water supply regulatory program of the department of health and environment; prescribing a system of fees therefor.

Representative Thompson distributed and reviewed a balloon amendment for HB 3167 to establish a fee of \$.002 per 1000 gallons and to add new Sec. 2 to create a dedicated fee fund. (Attachment 2)

A motion was made by Representative Thompson, seconded by Representative Gatlin, to adopt the balloon for HB 3167. (Attachment 2). Motion carried.

Representative Thompson distributed another balloon amendment for HB 3167. This balloon required payment from the fund to any community when the cost of services provided to the community was less than the amount paid. (Attachment 3)

A motion was made by Representative Thompson, seconded by Representative Patrick to adopt the balloon (Attachment 3). The motion failed. Representative Thompson requested to be recorded as voting "aye."

A motion was made by Representative Krehbiel, seconded by Representative Lloyd, to table HB 3167. The motion failed.

A motion was made by Representative Shore, seconded by Representative Glasscock, to pass HB 3167 favorable as amended. The motion carried. Representatives Krehbiel and Patrick requested to be recorded as voting "nay."

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES,
room 526-S Statehouse, at 3:45 ~~xxm~~/p.m. on March 26, 1992

The Chair directed the Committee to turn to SB 542.

SB 542 - An act concerning air contaminant emission sources.

A motion was made by Representative Patrick, seconded by Representative McKechnie, to amend SB 542 on page 3, line 9 to strike the word "innovations" and replace it with the word "principles." Motion carried.

A motion was made by Representative Patrick, seconded by Representative McClure, to conceptually amend SB 542 to require the Secretary to adopt the rules and regulations of the Environmental Protection Agency regarding maximum achievable control technology. The motion carried. (Attachment 4)

The Chair distributed a balloon amendment for SB 542 for assuring consistency between the term "alter" in SB 542 and the term "modify" under federal law. (Attachment 5)

A motion was made by Representative McKechnie, seconded by Representative Lynch to adopt the balloon amendment on (Attachment 5). The motion carried.

A motion was made by Representative McKechnie, seconded by Representative Thompson, to pass SB 542 favorable as amended. The motion carried.

The meeting adjourned at 4:30 p.m.

SENATE BILL No. 593

By Committee on Transportation and Utilities

2-6

3/26/92
House Ex NR
Attachment 1

8 AN ACT relating to gas pipeline safety; concerning certain rules and
9 regulations; amending K.S.A. 66-1,150 and repealing the existing
10 section.

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

12 Section 1. K.S.A. 66-1,150 is hereby amended to read as follows: (a)

13 66-1,150. The state corporation commission is hereby authorized to
14 adopt such rules and regulations as may be necessary to be in con-
15 formance with the natural gas pipeline safety act of 1968 (49 USCA
16 1671 *et seq.*), as amended. For the purpose of gas pipeline safety
17 such rules and regulations shall be applicable to all public utilities,
18 ~~corporations, other business entities~~ and all municipal corporations
19 or quasi-municipal corporations *transporting natural gas or rendering*
20 *gas utility service, the exemption provisions of K.S.A. 66-104, and*
21 ~~amendments thereto, 66-131, and amendments thereto, and related~~
22 ~~statutes notwithstanding.~~ Nothing in this section shall be construed
23 as invalidating any present rules or regulations of the state corpo-
24 ration commission, concerning the regulation of pipelines and pipe-
25 line companies.

26 Sec. 2. K.S.A. 66-1,150 is hereby repealed.

27 Sec. 3. This act shall take effect and be in force from and after
28 its publication in the statute book.

Notwithstanding the exemption provisions of K.S.A. 66-104 and 66-131, and amendments thereto, and related statutes, for

: (1)

; (2) all operators of master meter systems, as defined by 49 C.F.R. 191.3; and (3) all operators of privately or publicly owned pipelines providing natural gas service or transportation directly to the ultimate consumer for the purpose of manufacturing goods or generating power.

(b) As used in subsection (a)(3), "manufacturing goods" does not include farming or activities associated with production of oil or gas.

(c)

§ 191.1

EDITORIAL NOTE: Nomenclature changes to Part 191 appear at 50 FR 45732, Nov. 1, 1985.

§ 191.1 Scope.

(a) This part prescribes requirements for the reporting of incidents, safety-related conditions, and annual pipeline summary data by operators of gas pipeline facilities located in the United States or Puerto Rico, including pipelines within the limits of the Outer Continental Shelf as that term is defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(b) This part does not apply to—

(1) Offshore gathering of gas upstream from the outlet flange of each facility on the Outer Continental Shelf where hydrocarbons are produced or where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream; or

(2) Onshore gathering of gas outside of the following areas:

(i) An area within the limits of any incorporated or unincorporated city, town, or village.

(ii) Any designated residential or commercial area such as a subdivision, business or shipping center, or community development.

[Amdt. 191-5, 49 FR 18960, May 3, 1984, as amended by Amdt. 191-6, 53 FR 24949, July 1, 1988]

§ 191.3 Definitions.

As used in this part and the RSPA Forms referenced in this part—

Gas means natural gas, flammable gas, or gas which is toxic or corrosive;

Incident means any of the following events:

(1) An event that involves a release of gas from a pipeline or of liquefied natural gas or gas from an LNG facility and

(i) A death, or personal injury necessitating in-patient hospitalization; or

(ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000 or more.

(2) An event that results in an emergency shutdown of an LNG facility.

(3) An event that is significant, in the judgement of the operator, even

49 CFR Ch. I (10-1-90 Edition)

though it did not meet the criteria of paragraphs (1) or (2).

LNG facility means a liquefied natural gas facility as defined in § 193.2007 of Part 193 of this Chapter;

Master Meter System means a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as by rents;

Municipality means a city, county, or any other political subdivision of a State;

Offshore means beyond the line of ordinary low water along that portion of the coast of the United States that is in direct contact with the open seas and beyond the line marking the seaward limit of inland waters;

Operator means a person who engages in the transportation of gas;

Person means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative thereof;

Pipeline or *Pipeline System* means all parts of those physical facilities through which gas moves in transportation, including, but not limited to, pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.

Secretary means the Secretary of Transportation or any person to whom he has delegated authority in the matter concerned;

State includes each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico;

Transportation of gas means the gathering, transmission, or distribution of gas by pipeline, or the storage of gas in or affecting interstate or foreign commerce.

1 investigate the public water supply system about which the complaint
2 is made. Whenever the secretary has reason to believe that a public
3 water supply system within the state is being operated in violation
4 of an applicable state law or an applicable rule and regulation of the
5 secretary, the secretary may investigate the public water supply
6 system.

7 (2) Whenever an investigation of any public water supply system
8 is undertaken by the secretary, it shall be the duty of the supplier
9 of water under investigation to furnish to the secretary information
10 to determine the sanitary quality of the water supplied to the public
11 and to determine compliance with applicable state laws and rules
12 and regulations. The secretary may issue an order requiring changes
13 in the source or sources of the public water supply system or in the
14 manner of storage, purification or treatment utilized by the public
15 water supply system before delivery to consumers, or distribution
16 facilities, collectively or individually, as may in the secretary's judg-
17 ment be necessary to safeguard the sanitary quality of the water and
18 bring about compliance with applicable state law and rules and reg-
19 ulations. The supplier of water shall comply with the order of the
20 secretary.

21 (c) Any action of the secretary pursuant to this section is subject
22 to review in accordance with the act for judicial review and civil
23 enforcement of agency actions. The court on review shall hear the
24 case without delay.

25 (d) *The secretary shall establish by rule and regulation a system*
26 *of fees for the inspection and regulation of public water supplies.*
27 ~~All such fees shall be paid on an annual basis. All moneys received~~
28 ~~for such fees shall be remitted to the state treasurer for deposit in~~
29 ~~the state treasury to the credit of the state general fund.~~

30 ~~Sec. 2. K.S.A. 1991 Supp. 65-163 is hereby repealed.~~
31 ~~Sec. 3. This act shall take effect and be in force from and after~~
32 ~~its publication in the statute book.~~

See attached

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House E & NR
Attachment 2

No such fee shall exceed \$.002 per 1,000 gallons of water sold at retail by a public water supply system. All such fees shall be paid quarterly in the manner provided for fees imposed on retail sales by public water supply systems pursuant to K.S.A. 82a-954 and amendments thereto. The secretary shall remit to the state treasurer all moneys collected for such fees. Upon receipt thereof, the state treasurer shall deposit the entire amount in the state treasury and credit it to the public water supply fee fund created by section 2.

New Sec. 2. (a) There is hereby established in the state treasury the public water supply fee fund. Revenue from the following sources shall be deposited in the state treasury and credited to the fund:

(1) Fees collected under K.S.A. 65-163 and amendments thereto; and

(2) interest attributable to investment of moneys in the fund.

(b) Moneys deposited in the public water supply fee fund shall be expended only to inspect and regulate public water supplies and to provide training, assistance and technical guidance to public water supply systems.

(c) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the public water supply fee fund the amount of money certified by the pooled money investment board in accordance with this

subsection. Prior to the 10th day of each month, the pooled money investment board shall certify to the director of accounts and reports the amount of money equal to the proportionate amount of all the interest credited to the state general fund for the preceding month, pursuant to K.S.A. 75-4210a and amendments thereto, that is attributable to moneys in the public water supply fee fund. Such amount of money shall be determined by the pooled money investment board based on: (1) The average daily balance of moneys in the public water supply fee fund during the preceding month as certified to the board by the director of accounts and reports and (2) the average interest rate on repurchase agreements of less than 30 days' duration entered into by the pooled money investment board for that period. On or before the fifth day of each month, the director of accounts and reports shall certify to the pooled money investment board the average daily balance of moneys in the public water supply fee fund during the preceding month.

(d) All expenditures from the public water supply fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of health and environment for the purposes set forth in this section.

1 investigate the public water supply system about which the complaint
2 is made. Whenever the secretary has reason to believe that a public
3 water supply system within the state is being operated in violation
4 of an applicable state law or an applicable rule and regulation of the
5 secretary, the secretary may investigate the public water supply
6 system.

7 (2) Whenever an investigation of any public water supply system
8 is undertaken by the secretary, it shall be the duty of the supplier
9 of water under investigation to furnish to the secretary information
10 to determine the sanitary quality of the water supplied to the public
11 and to determine compliance with applicable state laws and rules
12 and regulations. The secretary may issue an order requiring changes
13 in the source or sources of the public water supply system or in the
14 manner of storage, purification or treatment utilized by the public
15 water supply system before delivery to consumers, or distribution
16 facilities, collectively or individually, as may in the secretary's judg-
17 ment be necessary to safeguard the sanitary quality of the water and
18 bring about compliance with applicable state law and rules and reg-
19 ulations. The supplier of water shall comply with the order of the
20 secretary.

21 (c) Any action of the secretary pursuant to this section is subject
22 to review in accordance with the act for judicial review and civil
23 enforcement of agency actions. The court on review shall hear the
24 case without delay.

25 (d) *The secretary shall establish by rule and regulation a system*
26 *of fees for the inspection and regulation of public water supplies.*
27 *All such fees shall be paid on an annual basis. All moneys received*
28 *for such fees shall be remitted to the state treasurer for deposit in*
29 *the state treasury to the credit of the state general fund.*

30 Sec. 2. K.S.A. 1991 Supp. 65-163 is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after
32 its publication in the statute book.

(e) Fees provided for by subsection (d) shall be based on services actually rendered by the department to each public water supply system. On or before September 1 of each year the secretary shall determine whether the fees paid by each water supply system under this section for the preceding fiscal year were proportionate to the services rendered to such system and, on or before October 1 of such year, shall rebate to each such system any amounts paid by such system were not proportionate to services used by such system.

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House E & NR
Attachment 3

Recommendations for Broadening the Private
Implementation Strategies at K.S.A. 65-3005
and Clarifying the Adoption of Hazardous
Air Emission Standards

SB 542—Am.

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1 assistance therefor; and (3) enter into agreements with local units of
2 government to administer all or part of the provisions of Kansas air
3 quality act in their respective jurisdictions.

4 (h) (i) Encourage and conduct studies, investigations and re-
5 search relating to air contamination and air pollution and their causes,
6 effects, prevention, abatement and control.

7 (i) (j) Encourage air contaminant emission sources to voluntarily
8 implement strategies, including the development and use of inno-
9 vative technologies, market based innovations and other private in-
10 itiatives to reduce or prevent pollution.

11 (k) Determine by means of field studies and sampling the degree
12 of air contamination and air pollution in the state and the several
13 parts thereof.

14 (j) Make a continuing study of the effects of the emission
15 of air contaminants from motor vehicles on the quality of the
16 outdoor atmosphere of this state and the several parts thereof;
17 and make recommendations to appropriate public and private
18 bodies with respect thereto.

19 (k) (l) Establish ambient air quality standards for the state as a
20 whole or for any part thereof.

21 (l) (m) Collect and disseminate information and conduct educa-
22 tional and training programs relating to air contamination and air
23 pollution.

24 (m) (n) Advise, consult and cooperate with other agencies of the
25 state, local governments, industries, other states, interstate or in-
26 terlocal agencies, and the federal government, and with interested
27 persons or groups.

28 (n) Consult, upon request, with any person proposing to
29 construct, install, or otherwise acquire an air contaminant
30 source or device or system for the control thereof, concerning
31 the efficacy of such device or system; or the air pollution prob-
32 lem which may be related to the source, device or system.
33 Nothing in any such consultation shall be construed to relieve
34 any person from compliance with this act, rules and regulations
35 in force pursuant thereto; or any other provision of law.

36 (o) (o) Accept, receive and administer grants or other funds or
37 gifts from public and private agencies including the federal govern-
38 ment for the purpose of carrying out any of the functions of this
39 act. Such funds received by the secretary pursuant to this section
40 shall be deposited in the state treasury to the account of the de-
41 partment of health and environment.

42 Sec. 4. K.S.A. 65-3007 is hereby amended to read as follows:
43 65-3007. (a) The secretary, by rule or regulation, may classify air

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Attachment 4

(p) The secretary may adopt by reference rules and regulations promulgated by the administrator of the United States environmental protection agency provided that any regulation adopted by the secretary to implement an emission limitation promulgated by the administrator of the United States environmental protection agency pursuant to section 112(d) of the federal Clean Air Act (42 U.S.C. 7412(d)) shall not be more stringent than the emission limitation promulgated by the administrator of the United States environmental protection agency.

Recommendations for Assuring Consistency
Between the Term "Alter" in SB 542 and
the Term "Modify" Under Federal Law

SB 542—Am.

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House Ev NR
Attachment 5

1 (b) "Air contamination" means the presence in the outdoor at-
2 mosphere of one or more air contaminants.

3 (c) "Air pollution" means the presence in the outdoor atmosphere
4 of one or more air contaminants in such quantities and duration as
5 is, or tends significantly to be, injurious to human health or welfare,
6 animal or plant life, or property, or would unreasonably interfere
7 with the enjoyment of life or property.

8 ~~(d)~~ "Emission" means a release into the outdoor atmosphere of
9 air contaminants.

10 ~~(e)~~ "Modify" or "modification," when used in conjunction with
11 an approval or permit action, means an amendment to an existing
12 approval or permit initiated by the permittee.

13 ~~(f)~~ "Permittee" means the holder of an approval or the holder
14 of a permit and includes both the owner and the operator of any
15 approved or permitted air contaminant emission source.

16 ~~(g)~~ "Person" means any individual, partnership, firm, association,
17 municipality, public or private corporation, subdivision or agency of
18 the state, trust, estate or any other legal entity.

19 ~~(h)~~ "Reopen" means to seek an amendment to an existing approval
20 or permit initiated by any person other than the permittee.

21 ~~(i)~~ "Secretary" means the secretary of health and environment.

22 Sec. 3. K.S.A. 65-3005 is hereby amended to read as follows:
23 65-3005. The secretary shall have the power to:

24 (a) Adopt, amend and repeal rules and regulations implementing
25 and consistent with this act.

26 (b) Hold hearings relating to any aspect of or matter in the
27 administration of this act concerning air quality control, and in con-
28 nection therewith, compel the attendance of witnesses and the pro-
29 duction of evidence.

30 (c) Issue such orders, *permits and approvals* as may be necessary
31 to effectuate the purposes of this act and enforce the same by all
32 appropriate administrative and judicial proceedings.

33 (d) Require access to records relating to emissions which cause
34 or contribute to air pollution.

35 (e) Prepare and develop a comprehensive plan or plans for the
36 prevention, abatement and control of air pollution in this state.

37 (f) *Adopt rules and regulations governing such public notification*
38 *and comment procedures as authorized by this act.*

39 (g) Encourage voluntary cooperation by persons, or affected
40 groups to achieve the purposes of this act.

41 (g) (h) (1) Encourage local units of government to handle air
42 pollution problems within their respective jurisdictions and on a
43 cooperative basis; and to; (2) provide technical and consultative

(d) "Alter" means any physical change in, or change
in the method of operation of, an air contaminant
emission stationary source which increases the amount
of any regulated air pollutant emitted by such source
or which results in the emission of any regulated air
pollutant not previously emitted.

(e)

(f)

When used to describe a change in any air contaminant
emission stationary source, "modify" shall have the
same meaning as the term "alter".

(g)

(h)

(i)

(j)