

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Don Myers at 9:00 a.m. on January 23, 1997 in Room 514-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Mary Shaw, Committee Secretary

Conferees appearing before the committee: Tim Mc Kee, Chairman, Kansas Corporation Commission

Others attending: See attached list

Chairperson Myers had the minutes for the January 15, 1997, and January 16, 1997, meetings distributed to the Committee members.

The Chair granted Representative Sloan a point of personal privilege. Representative Sloan reported that Walker Hendrix, who was a former legislator and is head of CURB, lost his father who died in a fire on January 22, 1997.

The Chair introduced Tim Mc Kee, Chairman of the Kansas Corporation Commission, who briefed the Committee on gas gathering issues. Mr. Mc Kee introduced the members of his staff who were present with him, although not making presentations, they would respond if the Committee had any questions.

Mr. Mc Kee mentioned that as his presentation progressed, he would welcome questions as the Chair permitted. He mentioned two items as background that he felt were important to understand. The first issue was of natural gas gathering regulation where the decision not to regulate which doesn't have anything to do with gas delivery to local distribution companies. He mentioned the question is, how do you get the gas from the well to the market place. The second issue was, historically, the federal government through the form of the Natural Gas Act and the Federal Power Commission (FPC), which is now the Federal Energy Regulatory Commission (FERC), controlled entirely interstate pipeline systems. He mentioned that the problem in Kansas is FERC (Federal Energy Regulatory Commission) will not regulate gathering systems, and the reason for that is, in the state of Kansas they are not a part of a regulated interstate system. Also he mentioned under the Natural Gas Act, Section One, production and gathering activity are not the subject matter of federal regulation, it is to be regulated by the states. He mentioned the Kansas Corporation Commission regulates all the production activity of oil and gas in Kansas. Questions and discussion followed.

The Chair thanked Mr. Mc Kee for attending the meeting.

A bill was introduced by Staff to amend certain statutes and Chapter 66 of the Kansas Statutes related to public utilities. Representative Alldritt made a motion that the bill be introduced to the Committee and Representative Burroughs seconded the motion. Motion passed.

A motion was made by Representative Stone to accept the minutes of January 15, 1997, and January 16, 1997. Representative Samuelson seconded the motion. Motion passed.

The meeting was adjourned at 9:55 a.m.

The next meeting is scheduled for January 24, 1997.

