

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET  
COMMITTEE

The meeting was called to order by Vice Chairman John Grange at 1:30 P.M. on January 29, 2008 in Room 431-N of the Capitol.

All members were present except:

Larry Powell - excused  
Carl Holmes - excused  
Sharon Schwartz - excused

Committee staff present:

Heather O'Hara, Kansas Legislative Research Department  
Amy Van House, Kansas Legislative Research  
Joyce Bishop, Committee Assistant

Conferees appearing before the committee:

David Springe, Consumer Counsel, Citizens' Utility Rate Payer's Board  
Susan Duffy, Executive Director, Kansas Corporation Commission  
Jackie Montfort Paige, Chief Financial Officer, Kansas Corporation Commission

Others attending:

See attached list

Vice Chairperson John Grange called the meeting to order at 1:33 pm.

The agency briefing for the Citizens' Utility Ratepayer's Board (CURB) was given by David Springe, Consumer Counsel (Attachment 1).

Representative Jason Watkins asked if their budget would be better dealt with bi-annually.

David said the dollar rollover would have to be dealt with in that case.

Representative Watkins then asked about the budget amount of \$250,000 for experts and consultants. He asked if this might not be better accomplished with two or three additional internal staff.

David said the amount for experts and consultants tends to vary year to year. Also their workload has increased in recent years and become more complicated, thus making the need for outside experts. The current way of handling this seems to work for them.

Representative Doug Gatewood asked if they were handling telecommunications cases versus wireless.

David said they have two consultants they use to handle these companies. Regarding telecommunications, they are handled by the Kansas Universal Service Fund. Small electric companies and co-ops are not covered by their agency, but cases concerning electric and power issues are getting larger. Steve Rirecick is the telecommunications staff person and is cross training to work the electric and gas issues. They do not deal much with broadband at this time.

Vice Chairperson Grange asked if David could give a five minute walk through of a typical case.

David said the cases are first filed through the KCC website dockets or through company contact. Then the case has to be decided in 240 days. In the case of Westar, they file, CURB intervenes and does four months of discovery. CURB evaluates, audits and deals with policy. CURB forms a position and files testimony with the Kansas Corporation Commission. Westar then has two to three weeks to rebut CURBs findings. Then public hearings are held by the Kansas Corporation Commission. Following that there is a trial held at the Kansas Corporation Commission office, and the Commissioners issue their final order. That order can and is frequently appealed to District or Appellate Courts, who then have 120 days to turn these cases.

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Budget at 1:30 P.M. on January 29, 2008 in Room 431-N of the Capitol.

In the case of the Westar request for pre-approval, that was new, and CURB was only given 90 days to complete it.

**Vice Chairperson Grange asked for committee members to review the minutes from January 24<sup>th</sup>. Representative Watkins moved the minutes be approved. Representative Gatewood seconded the motion. The motion passed unanimously.**

Vice Chairperson Grange then introduced Susan Duffy, Executive Director of the Kansas Corporation Commission (KCC), who presented the agency briefing (Attachment 2)

Vice Chairperson Grange asked if the ESF works.

Susan explained this has to do with KSFF & bills brought by the legislature.

Representative Watkins asked what cases were making things more complicated for them.

Susan gave the example of Westar & their security business. Also, the buyouts and mergers like Aquila, and other not necessarily utility related matters.

Representative Vaughn Flora said he is a member of Utilities Committee. Westar had wanted to put the energy efficiency savings into the rate base. CURB thought KCC should handle it. Westar said they had to wait 240 days to be reviewed by KCC. When you have multiple dockets it gets heavily loaded and it is difficult to meet the 240 day deadline.

Susan said there is a Clinton Climate Change Initiative, a program to improve efficiencies with the schools. They want to come to Kansas and begin the program with our without the schools to work on energy efficiency issues.

KCC is also working with co-ops in other nearby communities through the League of Municipalities. Another project they have is creating a record of where all the rural pipelines are to keep centrally stored. This will include water, waste water, and utilities.

UCR was new in 2007, it is done and fees are being collected. In 18 months trucks will be billed for the years 2006, 2007 & 2008. The prices have gone down, and it has been expanded. Congress is just trying to get a hold on who is on our highways. The fee is \$10.00 per year for 2006 forward.

Representative Clay Aurand asked if farmers can cross state lines with such things as anhydrous tanks and farm equipment without having to register.

The KCC's Chief Financial Officer, Jackie Montfort Paige, answer was they can cross state lines with farm implements without breaks or lights as they are not currently enforcing this. Co-ops however, will need to do it right. The first leg of an interstate trip, from field to elevator is considered intrastate. Farm Bureau may seek clarification from FMCSA. Oklahoma and Nebraska are not currently enforcing this but Missouri is.

Representative Gatewood asked about the \$102,000 for KETA. He also wanted to know, if he wanted to install a transmission line, would KETA be the one to talk to?

Susan said KCC pays KETAs bills and KETA uses their office for meetings and also pays contracts for them. KETA has no staff support. As for transmission lines, those requests would come to KCC.

Susan then requested introduction of an amendment to **KSA 55-193** Extension of Sunset Provision for the Abandoned Oil & Gas Well Fund. (See last page of Attachment 2)

Vice Chairperson Grange asked staff if this could be done in the committee.

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Budget at 1:30 P.M. on January 29, 2008 in Room 431-N of the Capitol.

Heather O'Hara said it is usually necessary to have a representative from the Revisor's office to take such an action.

Representative Gatewood moved to introduce the amendment to **KSA 55-193,** Extension of Sunset Provision for the Abandoned Oil & Gas Well Fund. Representative Watkins seconded the motion. The motion carried.

Representative Sydney Carlin asked what it costs to plug a well.

Susan said the cost is \$3,500 per well, and they are normally only plugged if they are venting.

Representative Gatewood asked about the individual who had been plugging wells in the past but had not plugged his own well.

Susan said he now has his wells plugged and continues to plug wells.

Vice Chairperson Grange requested the information from the agencies be put in notebooks with indexes for each member.

Joyce Bishop said this would be difficult to accomplish, due to the thickness of such a notebook and the various methods of binding different agencies use.

Representatives Watkins and Gatewood offered their assistants to help with this.

The meeting adjourned at 3:10pm.

The next meeting is scheduled for January 30th.



## AGRICULTURE & NATURAL RESOURCES BUDGET COMMITTEE

### 2008 Session – Agency Checklist

#### Agency Instructions:

- Please provide detailed answers to the following questions by Monday, January 28th.
  - Deliver 25 hard copies of your answers to the Budget Committee secretary, Joyce Bishop, in Room 142-W.
  - Your answers also should be submitted electronically to the Budget Committee secretary at: JoyceB@house.state.ks.us, and to the KLRD fiscal analyst assigned to your agency's budget.

#### Agency Questions:

1. What is the purpose of your agency?

Answer: The purpose of the Citizens' Utility Ratepayer Board (CURB) is to protect the interests of Kansas' residential and small commercial utility ratepayers. This protection is accomplished through the agency's representation of those ratepayers before the Kansas Corporation Commission (KCC) and the courts and its participation in the legislative process. The agency continues to provide information to consumers through the media and CURB's website at <http://curb.kansas.gov>.

2. How does your agency fulfill that purpose?

- a. Please provide documentation as to the progress of your programs.

Answer: This protection is accomplished through the agency's representation of those ratepayers before the Kansas Corporation Commission (KCC) and the courts and its participation in the legislative process. The agency continues to provide information to consumers through the media and CURB's website at <http://curb.kansas.gov>.

3. Provide a copy of the agency's Strategic Plan and Strategic Plan Elements.

Answer: There have been no changes to the agency strategic plan.

4. List all of the carry over balances of each account for the past 3 fiscal years, separating federal, state, and fee funds.

- a. What are your plans for the money?

Answer: The agency is allowed to carry over any unexpended balance in professional services to the next year for hiring consultants. The agency is fee funded.

Balances:

FY2005 \$16,853 (professional funds carried forward to FY06)

FY2006 \$26,761 (professional funds carried forward to FY07)

FY2007 \$79,229 (professional funds carried forward to FY08) \*This is an unusual amount of carry-over money and it is due to the late proposal received from one of our consultants regarding three different cases. As of July 2<sup>nd</sup>, the amount approved for those contracts amounted to \$70,000.\*

5. What are your new spending initiatives in this budget over the past two fiscal years?

Answer: CURB has no new spending initiatives for this budget.

6. What was the dollar amount for your agency for KQM in the past two fiscal years?

- a. How was the money spent, regardless of funding source?

Answer: CURB does not participate in KQM.

7. Do you anticipate any GBAs?

Answer: CURB does not anticipate any GBAs.

8. Provide a list of all Legislative Post Audit reports for the past two calendar years.

Answer: CURB has no legislative post audit reports.

9. Provide a copy of all reports required by statute and appropriations committee provisos to be provided annually to any legislative committee.

Answer: CURB has no reports required by statute.

10. Provide State General Fund requirements for the past two fiscal years and the next two year projection for your agency.

Answer: CURB receives no State General Funds.

11. Provide detail listing of unclassified temporary positions, job descriptions, length of work time for the temporary positions, and why the positions should not be eliminated.

Answer: CURB has no unclassified temporary positions.

12. Report any outstanding litigation against your agency.

Answer: CURB has no outstanding litigations to report.

13. List all no-limit funds, carry over balances, and explain why they should remain no-limit funds.

Answer: CURB does not have a no-limit fund.

14. List all off-budget funds, carry over balances, and explain why they should remain off-budget.

Answer: CURB has not "off budget" funds.

15. Provide a list of all fines collected by the agency and where fines are deposited.

Answer: CURB collects no fines.

16. Provide a list of all contracts sublet for professional services.

Answer:	Amount of Contract	Outstanding	Docket Number
The Columbia Group	\$69,000.00	\$ 972.32	05-WSEE-981-RTS
The Columbia Group	\$18,000.00	\$ 7,824.53	05-WSEE-981-RTS
The Columbia Group	\$10,000.00	\$10,000.00	07-GIMX-1041-GIV
Michael Lura	\$20,000.00	\$ 8,492.96	(Telecom)
The Columbia Group	\$35,000.00	\$26,750.00	07-BHCG-1063-ACQ
The Columbia Group	\$25,000.00	\$20,375.00	07-KCPE-1064-ACQ
Bion Ostrander	\$15,000.00	\$ 9,555.00	(Telecom)
The Columbia Group	\$35,900.00	\$31,090.00	08-ATMG-280-RTS
The Columbia Group	\$20,000.00	\$ 774.10	08-WSEE-309-PRE
Mike Majoros	\$17,500.00	\$14,150.00	08-ATMG-280-RTS
The Columbia Group	\$31,000.00	\$31,000.00	08-MDWE-594-RTS
The Columbia Group	\$18,000.00	\$18,000.00	08-KEPE-597-RTS

17. Provide a list of provisos from the last two fiscal years and advise the committee if the provisos are still needed.

Answer: CURB needs this proviso. Please see attachment.

18. Identify increases in your proposed budget for next fiscal year, excluding capital improvement expenditures and salaries and wages increases.

Answer: CURB is requesting no increase.

19. Do you have an Information Technology Plan approved by DISC?

a. If not, why?

Answer: Yes, CURB has an approved IT Plan.

20. Is your agency a member of any organizations? If so:

a. What are the membership fees per year?

b. How much staff time/travel time does it require during the year to participate in the organizations?

Answer: Yes, CURB is a member of the National Association of State Utility Consumer Advocates (NASUCA). Our Consumer Counsel was elected President of this organization in November 2007. The organization holds an Annual meeting and a Mid-Year meeting every year; however, due to our Consumer Counsel being elected president, he will be required to attend two or three more meetings this year. For fiscal year 2008, our office was assessed 0.35 percent of our budget, and charged a flat fee of \$600.

## **PROGRAM GOAL:**

Attachment 1

To provide the best possible legal representation for residential and small commercial ratepayers before the Kansas Corporation Commission and the Courts of Kansas; to aggressively oppose unjustified rate increases; to insure that utility service in Kansas is sufficient and efficient; to insure residential and small commercial ratepayer interests are represented in all forums where action may affect those interests.

## **OBJECTIVE:**

To actively seek and support the lowest possible reasonable rates for residential and small commercial ratepayers from the regulated gas, electric, and telephone utilities in the state of Kansas.

## **Strategies for Objective:**

1. Intervene in gas, electric, and telephone cases filed before the Commission that have or could have a direct or indirect impact on residential and small commercial ratepayers.
2. Make recommendations to the Commission to receive the lowest possible reasonable rates for utility customers and support such recommendations by the filing of comments, testimony and briefs and participate in any other forum provided.
3. Appeal decisions issued by the Commission that are not favorable to residential and small commercial ratepayers.
4. File complaints on behalf of residential and small commercial ratepayers.
5. Testify or otherwise participate in the legislative arena in regards to bills or proposals that directly or indirectly impact residential and small commercial ratepayers of Kansas.
6. Participate in cases appealed at the state and/or federal level that impact the residential and small commercial ratepayers of Kansas.
7. Participate in any relevant deliberative body, council or committee that may propose policy or other directives that directly or indirectly impact residential and small commercial ratepayers of Kansas.
8. Develop and employ resources to disseminate relevant utility information to interested parties; including maintenance of an agency web site, media contact and speaking engagements or other consumer outreach programs.

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OUTCOME MEASURERS:

	FY 05	FY 06	FY07	FY08 Est.	FY09 Est.
% of cases CURB filed testimony, briefs, comments, motions	45%	45%	45%	45%	n/a
Number of cases CURB signed Stipulation & Agreement	4	3	4	n/a	n/a

Output Measurers:

Number of interventions in electric cases	11	13	13	13	12
Number of interventions in gas cases	12	11	7	7	10
Number of interventions in telephone cases	9	23	6	7	9
Total number of interventions filed	32	47	26	27	31
Number of open dockets:	47	62	37	40	42

The numbers and types of filings that are made in any given year are primarily driven by the utility industry, therefore, it is impossible to predict future filings and resource commitments. Under K.S.A. 66-117, once a utility company files an application to increase its rates, the Kansas Corporation Commission has 240 days to make its decision. CURB relies heavily on private consultants, including accountants, economists, engineers and financial analysts, to review certain issues arising out of the cases in which the agency intervenes. A majority of the actual work done by the reviewing technical consultant must be completed early in the 240-day clock. CURB's technical consultant(s) will review the filing, issue discovery requests, review discovery data, help develop CURB's position, pre-file direct testimony supporting CURB's position, aid CURB's attorneys in preparing for trial and cross-examination of other technical experts, and review CURB briefs for technical accuracy. Many other cases are not filed pursuant to K.S.A 66-117 and may be prosecuted under a different time frame. CURB can appeal decisions issued by the KCC that have a negative impact on ratepayers. CURB places its highest priority on rate cases and participates in other cases and proceedings on a resource availability basis.

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## Citizens' Utility Ratepayer Board

<p><b>Board Members:</b> Gene Merry, Chair A.W. Dirks, Vice-Chair Carol I. Faucher, Member Laura L. McClure, Member Douglas R. Brown, Member David Springe, Consumer Counsel</p>	 <p><b>State of Kansas</b> <i>Kathleen Sebelius, Governor</i></p>	<p>1500 S.W. Arrowhead Road Topeka, Kansas 66604-4027 Phone:(785) 271-3200 Fax: (785) 271-3116 <a href="http://curb.kcc.state.ks.us/">http://curb.kcc.state.ks.us/</a></p>
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### Attachment 2

#### Proviso for the Agency

*Provided*, That expenditures may be made by the Citizens' Utility Ratepayer Board from the utility regulatory fee fund pursuant to contracts for professional services, which are hereby authorized to be entered into by the board; *Provided further*, that such professional services shall include but are not limited to the services of engineers, accountants, attorneys and economists, to assist in carrying out the duties of the board, which assistance may include preparation and presentation of expert testimony, when the expenses of such professional services are required to be assessed under K.S.A. 66-1502 and amendments thereto against the public utilities involved: *And provided further*, that such contracts shall be negotiated by a negotiating committee composed of the following persons: The consumer counsel of the Citizens' Utility Ratepayer Board or the consumer counsel's designee, the director of the budget or that director's designee, the director of accounts and reports or that director's designee and the chairperson of the Citizens' Utility Ratepayer Board or the chairperson's designee: *And provided further*, that the consumer counsel of the Citizens' Utility Ratepayer Board or the consumer counsel's designee shall convene the negotiating committee for each such contract and the negotiating committee shall consider all proposals by persons applying to perform such contract and shall award the contract: *And provided further*, that such contracts shall not be subject to the provisions of K.S.A. 75-3739 and amendments thereto or to the provisions of the acts contained in article 58 chapter 75 of the Kansas Statutes Annotated: *And provided further*, that, of the amount of additional expenditures authorized by the expenditure limitation prescribed by this subsection, no portion of such unspent expenditure authority for fiscal year 2007 shall be the basis for any amount being transferred into a Kansas Savings incentive program account or KSIP account under the Kansas savings incentive program or any other Kansas savings incentive program section in this or other appropriation act of the 2006 regular session of the legislature: *Provided, however*, that if the total amount of additional expenditures authorized by the expenditure limitations prescribed by this section are not expended or encumbered for fiscal year 2007, then the amount equal to the amount of such increased expenditure authority for fiscal year 2007 remaining may be expended from the utility regulatory fee fund for fiscal year 2008 pursuant to contracts for professional services and any such expenditure for fiscal year 2007 shall be in addition to any expenditure limitation imposed on the utility regulatory fee fund for fiscal year ending June 30, 2007.



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

**House Appropriations  
Agriculture & Natural Resources Budget Committee  
January 29, 2008 at 1:30 p.m., Room 431-N  
Kansas Corporation Commission FY 2008 and FY 2009 Budget**

**Agency Mission:** The mission of the Kansas Corporation Commission (KCC) is to protect the public interest through impartial and efficient resolution of all jurisdictional issues. The agency shall regulate rates, services and safety of public utilities, common carriers, motor carriers and regulate oil and gas production by protecting correlative rights and environmental resources.

**Agency Philosophy:** The KCC will act according to the highest standards of ethics, accountability, and openness. We will regulate aggressively but fairly, in a competent, effective, and efficient manner. In serving the public, the Commission will balance the interests of consumers, regulated entities, and others treating all with respect and dignity.

**Agency Regulatory Authority:** The KCC regulates five cornerstone industries in the Kansas economy. The Commission has the responsibility of ensuring that natural gas, electricity, telephone and transportation vendors provide safe, adequate and reliable services at reasonable rates. The Commission also has the mandate of assuring that oil and gas producers protect correlative rights and environmental resources.

**Agency Divisions:**

- Utilities
- Energy
- Conservation
- Transportation
- Administration

**Current FY 2008**

Since the conclusion of the 2007 Legislative Session, the total revised FY 2008 budget is \$21,649,255 of which \$16,201,295 is the aggregate on our three special revenue funds. The \$264,358 increase is the revised estimate to various fee and federal funds. The following is an overview of current activities:

- Utilities Division 690 dockets have been filed to date this fiscal year. Currently, 215 dockets are open. Two rate cases have been completed, five rates cases are open, and we anticipate as many as 1,400 dockets will be opened by the end of the

HOUSE AG & NATURAL RESOURCES  
BUDGET COMMITTEE

year. The division continues to perform KUSF audits, of which 31 rural audits have been completed, 1 audit is open, and four remain.

The Commission opened two concurrent general investigations to develop a policy framework for the review and evaluation of energy efficiency programs on a uniform and consistent basis and to further expedite the development of comprehensive energy efficiency and conservation programs.

The division is also working on gas gathering and pipeline safety issues. The division continues to participate in Southwest Power Pool (SPP) activities.

- Energy Services Program The division had a record setting attendance of nearly 600 attendees at the 2007 Kansas Renewable Energy & Energy Efficiency Conference held September 25-26, 2007. The division has also been very active in assisting in the rebuilding of Greensburg by providing funding support and expertise in green building issues.

The division continues to promote the nationally recognized Facility Conservation Improvement Program (FCIP) to state agencies, schools and municipalities. The new contract for the FCIP includes 10 pre-qualified Energy Service Companies (ESCOs), and now has a strong focus on environmental design and responsibility, integrating such factors as United States Green Building Council's LEED (Leadership for Energy Efficient Design) certification.

The division will provide support to the recently formed Wind Working Group by Executive Order 08-01. This group will educate stakeholders with the current information on wind energy markets, technologies, economics, policies, prospects and issues.

The KCC sponsored a grant to the Kansas Municipal Utilities to establish a mutual aid plan for water, sewer, gas and electric utilities. KDHE, KRWA, Water One, KMU, and Kansas City BPU are working to develop a website and operating plan to assist utilities during emergency situations.

The division continues to provide administrative support for the Kansas Energy Council (KEC) and the Kansas Electric Transmission Authority (KETA). Further, the division is working with the Department of Administration in implementing the Governor's Executive Directive 07-373, which promotes energy efficiency and conservation efforts in State Government.

Most recent information suggests that Kansas' energy plan federal funding will decrease by \$140,000 next year.

- Conservation Division Drilling intents continued at an unprecedented level and in FY 2007, 4,970 intents were issued, which is a 1% decrease over the previous year. Currently, 175 drill rigs are operating in the state, which reflects a 6%

increase. In FY 20007, 3,422 wells were completed compared to 3,439 wells in FY 2006. The Underground Injection Control (UIC) permits and modification permits have remained constant with 338 injection wells approved last year. Also in FY 2007, 497 wildcat wells were drilled, of which 99 were successful and were completed as production wells. The Abandoned Well/Remediation Program is scheduled to plug 557 wells and will continue to remediate selected sites.

The division, the Department of Revenue, and Kansas Geological Survey continues development of the Simplified On-line Automated Reporting (SOLAR) web-site. This comprehensive reporting system allows industry to submit production information, complete forms and obtain permit approvals electronically.

The division is currently working on developing regulations for CO<sup>2</sup> Sequestration (House Bill 2419) for implementation by July 1, 2008.

- Transportation Division The Kansas Trucking Connection (co-location of KCC, KDOR, and KDOT) continues to operate as the one-stop-shop services for motor carriers. The division is also in the third year of the civil assessment program, in partnership with the Kansas Highway Patrol. This program assesses civil penalties to motor carriers having out-of-service violations discovered during roadside inspections.

The Unified Carrier Registration (UCR) program, which replaced the Single State Registration System (SSRS), was activated September 10, 2007 and began to collect fees. Since the feds didn't have a system in place, the State of Indiana has acted as a clearing house. Due to the 18 month delay in implementation of this new program, the KCC temporarily borrowed monies from our other major funds to continue the operation of the motor carrier program during this time. These monies have been paid back.

The UCR program is estimated to collect approximately the same amount (\$4.3M) for the State of Kansas. This funding is shared between the KCC, Kansas Highway Patrol, and the Department of Transportation. SB 462 has been introduced to amend current law to reflect the new federal site.

- Administration Division The Commission is in the initial phase of developing an electronic filing (E-File Project) and case management system to promote greater and more efficient access to information relevant to the regulation of utilities. Currently, six state public utility commissions require electronic filing of documents. An expanded docket Google search tool was recently added to the KCC's web-site <http://kcc.ks.gov/> for enhanced searches by industry and the public.

The PACP section consumer complaint process was recently reviewed by Post Audit and the findings were helpful in enhancing the KCC procedures/processes.

**Budget Year FY 2009**

The total FY 2009 requested budget is \$20,686,168 of which \$16,656,689 is the aggregate on our three special revenue funds. This amount includes the Governor’s recommendation of a 2.5% COLA salary and under market increases, longevity, and other adjustments. The following is an overview of Governor’s recommendations:

- \$188,287 Public Service Fund (PSR) for the Kansas Energy Council (KEC). The funding assists with operational costs of the Council.
- \$102,513 Public Service Fund (PSR) for KETA operational costs.
- Replacement of 5 trucks and 1 car totaling \$112,900. The KCC requested replacement of 10 trucks, 1 mini-van, and 1 car at \$229,100. The KCC vehicles are for field operations in the Conservation Division, Transportation Division and Pipeline Safety. (Enhancement Request)
- Abandoned Oil and Gas/Remediation Program Funding \$400,000 SGF Transfer replaced with additional Conservation Fee Fund (CFF).

K.S.A. 55-192 was enacted in 1996. The Abandoned Oil and Gas Well / Remediation Fund was created for the sole purpose of providing funding to the KCC for the plugging of abandoned wells and the remediation of contamination sites related to oil and gas activities prior to July 1, 1996. The 2001 legislature amended K.S.A. 55-193, and extended the quarterly fund transfers of \$100,000 each from the State Water Plan (SWP), State General Fund (SGF) and the Conservation Fee Fund (CFF) for seven additional years to July 1, 2009.

The following illustrates the status of statutory transfers of the SWP, SGF, and the CFF.

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
SWP	\$0	\$0	\$667,000	\$400,000	\$400,000	\$400,000
SGF	\$400,000	\$0	\$0	\$0	\$0	\$0
CFF	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
AddCFF	\$0	\$430,000	\$295,000	\$310,000	\$400,000	\$400,000

	<u>Gov Rec FY2009</u>
SWP	\$400,000
SGF	\$0
CFF	\$400,000
AddCFF	\$400,000

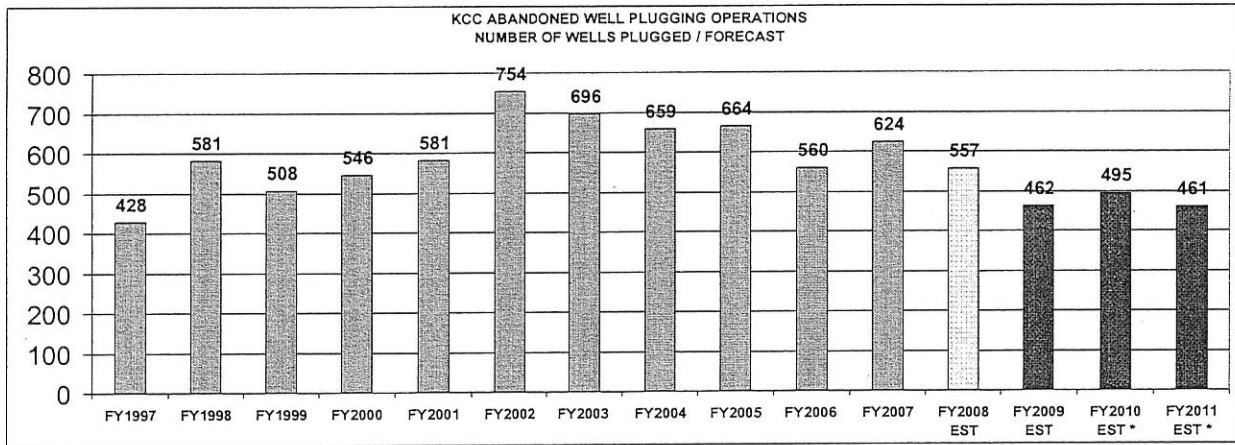
The Abandoned Well Fund also receives 50% of the Mineral Leasing funds per KSA 27-118

Mineral	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
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\$758,234    \$766,872    \$971,391    \$1,242,018    \$892,790    \$1,040,019\*

FY2009  
\$998,418\*

\*estimated amount.



There are approximately 7,002 abandoned wells that still require plugging.

The KCC respectfully requests the introduction of a bill this session to extend the Abandoned Oil and Gas Well program from 2009 to 2016.

**Amendment to KSA 55-193**  
**Extension of Sunset Provision for the Abandoned Oil and Gas Well Fund**

**55-193. Same; transfers to fund.** On July 15, 1996, and on the 15th day of each calendar quarter thereafter before July 1, ~~2009~~ 2016, the director of accounts and Freports shall transfer \$100,000 from the state general fund, \$100,000 from the state water plan fund established by K.S.A. 82a-951 and amendments thereto and \$100,000 from the conservation fee fund established by K.S.A. 55-143 and amendments thereto to the abandoned oil and gas well fund established by K.S.A. 55-192 and amendments thereto, except that: (a) No transfers shall be made pursuant to this section from the state general fund to the abandoned oil and gas well fund during state fiscal year 2007; and (b) the aggregate of the transfers made pursuant to this section from the state water plan fund to the abandoned oil and gas well fund during state fiscal year 2007 shall not exceed \$400,000.