

Approved: May 1, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:10 a.m. on March 26, 2002 in Room 526-S of the Capitol.

All members were present.

Committee staff present: Robert Chapman, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: Wilfred Nichols
Chris Hammer
Justin Hamlin, Southwest Kansas Irrigation Association
David Pierce, Washburn University
Todd Johnson, Kansas Livestock Association
Greg Krissek, Kansas Corn Growers Association
Larry Berg, Midwest Energy
Larry Hedley, Aquila
Leo Haynos, Kansas Corporation Commission
Steve Johnson, Kansas Gas Service

Others attending: See Attached List

SB 547 - Rural Kansas self-help gas act

Chairman Holmes opened the hearing on **SB 547**.

Wilferd Nichols, Copeland Kansas, addressed the committee in support of **SB 547 (Attachment 1)**. Mr. Nichols explained his situation regarding his request to be released from a natural gas certificated area.

Chris Hammer, Haskell County, Kansas, spoke in support of **SB 547 (Attachment 2)**. Mr. Hammer shared his problems with obtaining natural gas for irrigating his crops.

Justin Hamlin, Executive Director for the Southwest Kansas Irrigation Association, appeared in support of **SB 547 (Attachment 3)**. Mr. Hamlin shared the history of the bill and addressed some concerns the Corporation Commission had indicated they had during Senate hearings.

David Pierce, law professor at Washburn University of Topeka, spoke to the committee in support of **SB 547**.

Todd Johnson, Kansas Livestock Association, testified in support of **SB 547 (Attachment 4)**. Mr. Johnson stated they were not asking for elimination of the certificated area, just flexibility to obtain connection to a gas supply.

Greg Krissek, Director of Operations for the Kansas Corn Growers Association, requested support for **SB 547 (Attachment 5)**. Mr. Krissek stated the bill will allow rural Kansans the opportunity to secure reliable supplies of natural gas.

Leslie Kaufman, Associate Director for Public Policy at Kansas Farm Bureau, presented testimony supporting **SB 547 (Attachment 6)**. Ms. Kaufman stated that the Farm Bureau supports legislation to provide a dependable supply of affordable natural gas for irrigation and other agricultural purposes.

Written testimony in support of **SB 547** was submitted by Chris Wilson, Southwest Kansas Groundwater Management District (**Attachment 7**); Erick Nordling, Southwest Kansas Royalty Owners Association (**Attachment 8**); and Bill Lower, Haskell County Commissioner (**Attachment 9**).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:10 a.m. on March 26, 2002.

Larry Berg, Midwest Energy, testified in opposition to **SB 547 (Attachment 10)**. Mr. Berg addressed three areas of concern: safety, actions taken to resolve gas pressure problems in southwest Kansas, and the purpose and value of certificates of convenience.

Larry Headley, Director of Regulatory Affairs for Aquila Inc., addressed the committee in opposition to **SB 547 (Attachment 11)**. Mr. Headley stated the current version not only promotes the bypass of public utilities, but promotes the bypass of the Corporation Commission's involvement. Mr. Headley also stated that the legislation is bad public policy.

Leo Haynos, Chief of Pipeline Safety for the Kansas Corporation Commission, spoke in opposition to **SB 547 (Attachment 12)**. Mr. Haynos said that although the bill fully addresses their concern regarding pipeline safety, they believe it still has potential for unintended legal and other problems that could occur.

Steve Johnson, Manager of Community Affairs for Kansas Gas Service, appeared in opposition to **SB 547 (Attachment 13)**. Mr. Johnson stated they were concerned about changes in certificated areas and, although they have relinquished certification on a case-by-case basis, they believe the Corporation Commission should regulate all changes.

The conferees responded to questions from the committee. Additionally, Mr. Bob Muir, Head of Operations for Midwest Energy, and Mr. Gary Wise, Field Operations Director for Aquila, responded to questions.

Chairman Holmes closed the hearing on **SB 547**.

The meeting adjourned at 10:57 a.m.

The next meeting will be March 28, 2002.