

## MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:12 a.m. on January 26, 2000 in Room 522-S of the Capitol.

All members were present.

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

Conferees appearing before the committee: Rep. Dennis McKinney  
Ron Gaches, Kansas Gas Storage Industry

Others attending: See Attached Guest List

Chairman Holmes acknowledged the receipt of written comments from the Kansas Corporation Commission Staff regarding **SB 86** (Attachment 1). The comments were provided as a supplement to the hearing the previous day.

**HB 2597 Natural gas, underground storage; condemnation, procedure and compensation; migrated gas.**

Rep. Dennis McKinney, 108<sup>th</sup> District, was welcomed by Chairman Holmes. Rep. McKinney appeared in support of **HB 2597** (Attachment 2). He also submitted written testimony on behalf of Mr. Jon Black, an attorney from Pratt (Attachment 3), and five other landowners in Pratt and Kingman Counties; Kenneth Glenn (Attachment 4), Mark Betzen (Attachment 5), Stanley R. Withers (Attachment 6), Dean Dyche (Attachment 7) and Lloyd McClellan (Attachment 8).

Rep. McKinney responded to questions from Rep. Loyd, Rep. Alldritt and Rep. Sloan.

Ron Gaches, representing the Kansas Gas Storage Industry, appeared in support of **HB 2597** (Attachment 9). Mr. Gaches stated that this hearing provided the opportunity for the two opposing sides to come together in support of a compromise bill that provides equitable solutions to a number of complicated and difficult issues. He included a copy of his testimony presented before the Interim Committee on Environment and proposed language to amend the bill. He also stated that the current bill did not have the language making this the exclusive remedy to resolving impasses between the parties.

Mr. Gaches responded to questions from Rep. Krehbiel, Rep. Sloan, Rep. Alldritt and Rep. Klein.

Whitney Damron provided written testimony (Attachment 10) in support of **HB 2597** on behalf of ONEOK, Inc and Kansas Gas Service.

**Sub SB 243 Electric generation facility siting act applicable only to nuclear generation plants**

Rep. Sloan provided background information on the original bill.

Rep. Sloan moved to amend the bill to exempt construction of new electric transmission lines if they are built on existing right-of-way and outside the city limits. Rep. Alldritt seconded the motion. Motion failed.

Rep. Sloan moved to amend **SB 243** to exempt property of an electric utility, other than a nuclear plant, from putting the new property into their rate base during the construction period. Motion died from lack of second.

Rep. Sloan moved to amend the bill to allow all new utility generation construction to be ruled a competitive business and assessed at the lower commercial tax rate, with special conditions. Rep. McClure seconded the motion. Motion failed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES in Room 522-S at 9:12 a.m. on January 26, 2000.

Rep. O'Brien moved to technically amend the bill to change the statutory dates. Rep. Loyd seconded the motion. Motion carried.

Rep. Loyd moved that the committee report Substitute **SB 243**, as amended, favorable for passage. Rep. O'Brien seconded the motion. Motion carried. Rep. Loyd will carry the bill.

Rep. Myers asked if a committee bill could be requested. Rep. Myers moved that a committee bill be introduced to address the merchant power plant deregulation and taxation. Rep. Dahl seconded the motion. Motion carried.

Meeting adjourned at 10:47 a.m.

Next meeting will be on Thursday, January 27 at 9:00 a.m.