

Approved: March 13, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on January 29, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Gene O'Brien

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: Charles Benjamin, Sierra Club
Ken Peterson, Kansas Petroleum Council
Mike Loeffler, Northern Natural Gas
Jim Bartling, Greeley Gas Company
Chuck DeHart, The Williams Companies
Steve Johnson, Kansas Gas Service

Others attending: See Attached List

HCR 5038 - Urging the federal government to act quickly to approve and begin storage of radioactive waste at Yucca Mountain, Nevada

Chairman Holmes opened the hearing on **HCR 5038**.

Charles Benjamin, appearing on behalf of the Sierra Club, testified in opposition to **HCR 5038** (Attachment 1). Mr. Benjamin expressed concerns about transporting the waste through the state and who would bear the liability if an accident occurs. Mr. Benjamin responded to questions from the committee.

Representative McClure distributed copies of a US General Accounting Office report on Nuclear Waste - Technical, Schedule, and Cost Uncertainties of the Yucca Mountain Repository Project (Attachment 2).

Chairman Holmes closed the hearing on **HCR 5038**.

HCR 5040 - Resolution urging Congress to open the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and production

Chairman Holmes opened the hearing on **HCR 5040**.

The first conferee, Ken Peterson representing the Kansas Petroleum Council, spoke in support of HCR 5040 (Attachment 3). Mr. Peterson outlined the myths and facts regarding the Arctic National Wildlife Refuge. He shared details on well drilling and pipeline locating. Mr. Peterson also distributed a letter from James Daniels, Interstate Oil & Gas Compact Commission, that told of his trips to the Refuge (Attachment 4).

Written testimony in support of **HCR 5040** was provided by Terry Leatherman, Vice President - Legislative Affairs for the Kansas Chamber of Commerce and Industry (Attachment 5).

The hearing on **HCR 5040** was suspended.

The joint meeting of the House and Senate Utilities Committee convened at 9:30 with Senate Chairman Clark presiding. The purpose of the joint meeting was to continue the presentations on the status of the natural gas and oil industries.

Senator Clark shared the testimony provided by Robert Krehbiel, Executive Vice-President of the Kansas Independent Oil and Gas Association (Attachment 6). Mr. Krehbiel's testimony provided an update on the price of crude oil and natural gas along with information regarding price changes and active rotary rigs operating in Kansas.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 526-S Statehouse, at 9:07 a.m. on January 29, 2002.

Mike Loeffler, Manager of Governmental and Community Affairs for Northern Natural Gas, addressed the committee on three topics (Attachment 7). Those topics were: Northern Natural Gas's presence in the state, the transition of the company into a subsidiary of Dynegy, Inc. and areas of interest that the company has before the committee. Mr. Loeffler stated that they are committed to the tradition of service excellence provided to their customers and that their pipelines will continue to operate safely, efficiently and without interruption of service. Mr. Loeffler included a map of Northern's pipelines in the state (copy available from Legislative Research).

Jim Bartling, Public Affairs Manager for Greeley Gas Company, provided an update on the company's customer base and distribution area (Attachment 8). Mr. Bartling stated they serve approximately 117,000 customers in Kansas and are a local distribution company with operations regulated by the Kansas Corporation Commission.

Chuck DeHart, State Governmental Affairs Manager for The Williams Companies, appeared before the committee. Mr. DeHart stated that Williams is the largest natural gas transportation company, based on capital, and the second largest producer of ethanol. He said that the company's main issues were the One-Call System, underground storage, community safety and pipeline protection.

Steve Johnson, Executive Director of Corporate Relations for Kansas Gas Service, addressed the committee on the state of the natural gas industry in Kansas from both Kansas Gas Service's and ONEOK's points of view (Attachment 9). Mr. Johnson said they serve over 630,000 retail customers and 6,000 transportation customers in the eastern two-thirds of the state. Mr. Johnson explained that 2001 was a year in which they faced many challenges, including the highest prices for natural gas ever experienced and the coldest winter in recent memory.

Mr. Loeffler, Mr. Bartling, Mr. DeHart and Mr. Johnson responded to questions from members of the joint committee. Additionally, Ms. Diana Edmiston, Assistant General Counsel for the Kansas Corporation Commission, responded to questions regarding imbedded salt beds as a gas storage facility.

The joint meeting adjourned at 10:30, with House Utilities resuming their order of business.

HCR 5038 - Resolution urging the federal government to act quickly to approve and begin storage of radioactive waste at Yucca Mountain, Nevada

Chairman Holmes opened the debate on **HCR 5038**. Representative Kuether moved to amend the resolution to include asking for federal funds to provide training and equipment. Representative Long seconded the motion. The motion failed.

The debate on **HCR 5038** was suspended to return to the previous order of business.

HCR 5040 - Resolution urging Congress to open the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and production

The hearing on **HCR 5040** was resumed with Charles Benjamin, appearing on behalf of the Sierra Club, addressing the committee in opposition to the resolution (Attachment 10). Mr. Benjamin addressed the issues of security and reducing our dependence on oil.

Chairman Holmes closed the hearing on **HCR 5040**.

The meeting adjourned at 10:56 a.m.

The next meeting is scheduled for January 30, 2002.