

## MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on March 9, 2006 in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Bruce Kinzie, Revisor of Statutes' Office  
Diana Lee, Revisor of Statutes' Office  
Ann McMorris, Committee Secretary  
Leann Hershfeld, Intern for Sen. Emler

Conferees appearing before the committee:

Steve Rome, president, Southwest Kansas Corn Growers Association  
Kirk Heger, Southwest Kansas Irrigation Association  
Jere White, Kansas Corn Growers Association  
Dick Brewster, BP America, Inc., Oklahoma City, OK  
Roger Thorpe, Vice President of Field Services, Oneok, Tulsa

Others in attendance: See attached list.

Chairman opened the hearing on: **SB 576 - Gas gathering facilities, regulation of**

Proponents

Steve Rome, president, Southwest Kansas Corn Growers Association, spoke in favor of **SB 576** as a bill that is fair and simple. It would guarantee that rural users in southwest Kansas would have access to the natural gas in the gathering lines and it provides KCC oversight. (Attachment 1)

Kirk Heger, board member of the Southwest Kansas Irrigation Association, felt that **SB 576** sends a clear message to the KCC, the gatherers, and the producing companies. (Attachment 2)

Jere White, executive director of the Kansas Corn Growers Association, noted the proposed changes would only expand the potential customers and make clear that the KCC has authority to make the final decision when there is a dispute. He also provided a summary of the statutory amendments proposed by **SB 576** as prepared by C. Edward Peterson, of the law firm of Finnegan, Conrad & Peterson in Kansas City. (Attachment 3)

Written testimony was submitted by Erick Nordling, executive secretary, Southwest Kansas Royalty Owners Association. (Attachment 4)

At the conclusion of testimony by proponents, the Chair opened for questions from the Committee. Questions included asking how this affected other forms of energy, if the focus was statewide, and whether there would be new services offered.

Opponents

Dick Brewster, BP America, Inc., Oklahoma City, OK, noted his company wears several hats in Kansas and has a large commitment to Kansas as they continue investment in their Southwest Kansas gas operations. He strongly urged the committee not to approve **SB 756**. (Attachment 5)

Roger Thorpe, Vice President, ONEOK Field Services Company, Tulsa, OK., cited the study being made by a task force for the KCC regarding the transitional issues on gathering gas from depleting natural gas fields. He summarized that **SB 576** will force unnecessary regulation on gas gatherers and will negatively impact the economy of Kansas and have a significant and adverse impact on all of the citizens of the State of Kansas. (Attachment 6)

The committee questioned Mr. Brewster and Mr. Thorpe regarding rules and regulations that are currently in effect on gas gathering and whether there were regulatory responsibilities to any other state.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on March 9, 2006 in Room 526-S of the Capitol.

Due to the lack of time to hear the remaining opponents and neutrals, the Chairman announced the hearing on **SB 576** would be continued on Monday, March 13 at the next meeting of the Senate Utilities Committee.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 6