



**Testimony for hearing on Senate bill 577
Senate Utilities Committee
March 9, 2006**

Chairman Emler and committee members, my name is Steve Rome. I farm in southwest Kansas and I serve as president of the Southwest Kansas Corn Growers Association. We sit on top of the Hugoton gas field, which was once one of the largest in the nation. Gas companies came into our communities and onto our farms to build an infrastructure to deliver that gas to its customers in Kansas and in other states. The gas companies set up a system to sell natural gas to local rural customers by tapping into well heads and gathering lines. It made sense at the time, and it makes sense now. What makes many rural natural gas customers in southwest Kansas unique is that they do not have the protections that other natural gas customers in the state have.

Many of the gathering lines have been sold to intrastate gathering companies that transport and process the gas in the state, removing the pipelines from Federal oversight. Gas gathering companies can arbitrarily terminate access to natural gas, and the rural users who lose that access have no representation on the state or national level. This happened last year when gas service to hundreds of residential customers was terminated on a cold winter night. Unfortunately, because these are intrastate gathering lines removed from Federal jurisdiction, there is no oversight at the federal level. If you think that we have recourse to appeal to the Kansas Corporation Commission, please note that the KCC is questioning whether it has jurisdiction in these matters. So right now, our only chance of appealing this is through the legal system. But how are we going to fight a gas company with deep pockets and a team of attorneys? The gas companies are betting that we won't.

Our economy in southwest Kansas runs on natural gas. Homes, business, industries and farms were all designed to operate on natural gas. And we've worked for years to find our own solutions and to find legislative solutions when necessary to our natural gas problems. When gas companies decided it was not profitable to add lines to service rural irrigators in some areas, farmers formed Non-Profit Utilities and spent millions of dollars to build pipeline systems that would allow us to tie in to high pressure gathering lines to move gas to our irrigation engines. Last year, when those residential customers were cut off from natural gas service, we sought protection by passing legislation we thought would address that problem. We also participated in a task force that looked into issues regarding curtailment of service and hydrogen sulfide issues.

We've been before the Kansas legislature before and the legislature passed legislation that they thought addressed these problems. But unfortunately, we are here again to tell you that the problem has not been fixed. This bill 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 to make sure that rural customers in southwest Kansas have the same protections as natural gas customers in the rest of Kansas.