Approved: <u>March 16, 2001</u>

Date

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairman Senator Stan Clark at 9:30 a.m. on March 15, 2001 in Room 231-N of the Capitol.

All members were present except: Senator Taddiken, excused

Committee staff present: Raney Gilliland, Legislative Research

Emalene Correll, Legislative Research Tom Severn, Legislative Research Bruce Kinzie, Revisor of Statutes Lisa Montgomery, Revisor of Statutes

Ann McMorris, Secretary

Conferees appearing before the committee: none

Others attending: See attached list.

Chairman urged the members to read the article "Reinventing the Power Grid" distributed by Tom Severn of the Research staff. This covers issues that the committee will need to address. (Attachment 1)

The following documents were distributed to the committee:

- 1. Revised Draft Report by the Senate Committee on Utilities to the Senate Committee on Ways and Means, dated March 22, 2000. (Attachment 2)
- 2. Addenda to the minutes of the March 9, 2001 meeting of Industry Leaders distributed at the March 14 Senate Utilities meeting. (<u>Attachment 3</u>)
- 3. Press Release "UtiliCorp to purchase power generation from largest wind project constructed in Kansas" (Attachment 4)

Chair opened for discussion on

HB 2397 - Intervention of cities in rate hearings before the corporation commission

Moved by Senator Brownlee, seconded by Senator Barone, to amend **HB 2397** by deleting the word "city" in line 13 and inserting the word "municipality" and to change effective date from publication in statute book to publication in the Kansas Register. Motion carried

No further action taken on HB 2397.

Chairman opened for discussion on the draft "bkpsecs". Bruce Kinzie of Revisor of Statutes office and Raney Gilliland of Legislative Research reviewed various aspects of the draft. (Attachment 5)

Moved by Senator Lee, seconded by Senator Emler, to amend exempting gas storage regulated by KCC in Section D on the first page of the draft. Motion carried.

Moved by Senator Lee, seconded by Senator Emler, to amend on page 1 by adding language in (a) (2) the safe and secure underground "reservoirs used for" storage of liquid petroleum gas and hydrocarbons other than those provided for in paragraph (3). Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at 9:30 a.m. on March 15, 2001 in Room 231-N of the Capitol.

Moved by Senator Lee, seconded by Senator Lyon, to amend (on page 10) 74-623 (a)(1) by making an exception to the exception. Motion carried.

Moved by Senator Lee, seconded by Senator Emler, to amend **bkpsecs**, New Sec. Page 1 - insert language with penalty provisions. Motion carried.

Moved by Senator Brownlee, seconded by Senator Emler, to amend bkpsecs on page 5 (f) (2) (3) by deleting the language of (2) and (3) and amending this language into the new section on page 1. Motion carried.

Moved by Senator Emler, seconded by Senator Lee, to amend with new language that would provide KCC with funding. Motion carried.

Moved by Senator Clark, seconded Senator Emler, to amend on page 1 section (b) to allow appropriate access to the salt mine facilities for KDHE inspection. Motion carried.

Moved by Senator Lee, seconded by Senator Barone, to amend the draft on page 1 sevction (b) to add language regarding closure and abandonment of fields and establishment of a trust fund. Motion carried.

Moved by Senator Emler, seconded by Senator Lee, to amend on page 1, section (d) language requiring currently permitted natural gas storage in bedded salt to meet the new requirements and not be grandfathered in when new regulations are adopted. Motion carried.

Consensus there should be a definition of "cushion" gas.

Approval of minutes

Moved by Senator Lee, seconded by Senator Emler, approval of the minutes of the Senate Utilities Committee meeting on March 14 with correction on "bkpsecs" description from "net metering" to "natural gas storage" on first page, 2nd paragraph from the bottom. Motion carried.

Next meeting of the Senate Utilities Committee will be on call of chairman.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 5