

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 13, 2007 in Room 526-S of the Capitol.

Committee members absent: Senator Roger Reitz- excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department
Tatiana Lin, Legislative Fellow
Mike Corrigan, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Leo Haynos, KCC
Maurice Korphage, KCC

Others in attendance: See attached list

Approval of Minutes

Moved by Senator Francisco, seconded by Senator Taddiken, approve the minutes of the Senate Utilities Committee meetings held on February 7, 2007 and February 8, 2007. Motion carried.

Chair opened the hearing on:

SB 238 - State corporation commission authorized to fix, charge and collect fees for application for intent to drill a well

Proponent:

Maurice Korphage, Director of Oil and Gas Division, KCC, offered support for two amendments to K.S.A. 55-151 in **SB 238**. (1) the first amendment regarding notification of intents to drill aligns the statute with the current practice which has evolved with technological changes; and (2) the second amendment eliminates the prohibition against the Commission charging a fee for an application for an intent to drill and allows the Commission to charge a fee which would be established by regulations adopted by the Commission. (Attachment 1)

Questions from the committee on horizontal drilling and number of applications for intent to drill.

Chair closed the hearing on **SB 238**.

Chair opened the hearing on:

SB 326 - State corporation commission duties concerning natural gas and energy in emergency situations

Proponent

Leo Haynos, Chief of Gas Operations and Pipeline Safety for KCC, appeared on behalf of the KCC in support of **SB 326**. He urged the updating of the existing statutory framework to provide clarify and prevent conflicts with recent Kansas law. This group of statutes requires the Commission to develop a comprehensive state energy conservation plan in accordance with federal requirements. The proposed revision would still require the KCC to develop an emergency management plan but would limit the scope of the plan to natural gas and electricity. (Attachment 2)

Chair closed the hearing on **SB 326**.

Moved by Senator Francisco, seconded by Senator Lee, to move **SB 326** out favorably and place on the consent calendar. Motion carried.

Chair asked committee for their consideration of **SB 238**. Several concerns voiced regarding the KCC setting fee for intent to drill applications. It was felt that the bill language should be more specific and that the Legislature should have more authority on the setting of fees. The intent to drill fees charged by surrounding states were requested. KCC was asked to come back with language that would clarify the fee structure authority. No further action taken on **SB 238**.

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on February 13, 2007 in Room 526-S of the Capitol.

Addendum: Action taken on **SB 326** will be delayed and the bill taken back to Committee to correct a wrong word - on page 2, line 37 the word "energy" should be "emergency."

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments -2