

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on March 8, 2007 in Room 526-S of the Capitol.

Committee members absent:

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

Conferees appearing before the committee:

Leo Haynos, Kansas Corporation Commission  
Alan DeGood, American Energies Corporation  
David Scharf, ONEOK Field Services  
David Bleakley, Eastern Kansas Oil & Gas  
Bill McKean, American Pipeline Company

Others in attendance: See attached list

Chair continued the hearing on

**SB 325 - State corporation commission jurisdiction over gas gathering systems**

Opponents:

Alan DeGood, President, American Energies Corporation, reviewed the makeup of his company and their operations. He felt **SB 325** would create problems for the small gas gathering company. Safety is a big factor in raw gas usage. ([Attachment 1](#))

David Scharf, Vice President, Gathering and Processing, ONEOK Partners, testified that ONEOK Field Services Company, LLC believes **SB 325** is inappropriate, unnecessary and would be unduly burdensome to both gas gatherers and to state offices charged with interpreting and enforcing the law. **SB 325** moves the gas gathering industry of Kansas away from its existing structure and intended function. ([Attachment 2](#))

David Bleakley, Eastern Kansas Oil and Gas, voiced their concerns that **SB 325** would change gas gatherers to distributors. EKOGA strongly urged the committee to vote against **SB 325**. ([Attachment 3](#))

Bill McLean, manager of business development, American Pipeline Company, Wichita, listed three issues for the committee to consider: (1) How often do the primary function and the secondary function of a gathering system conflict with each other?; (2) Is it possible for KCC to determine a fair and reasonable transportation rate for the secondary function to transport gas to irrigation taps?; and (3) How many NPUs will be created throughout Kansas? ([Attachment 4](#))

Neutral

Leo Haynos, Chief of Gas Operations and Pipeline Safety for the Kansas Corporation Commission, provided an Overview of KCC Final Order in Docket 06-GIMG-400-GIG regarding gas gathering systems. He presented a power point program on gas gathering progression. ([Attachment 5](#))

Chair closed the hearing on **SB 325**.

Dick Brewster, BP, presented a memorandum setting forth proposed language to be drafted into a substitute bill **SB 325**. These concepts have been reviewed with representatives of those supporting **SB 325** that agree these concepts can be workable and while there is not unanimity of those supporting or opposing **SB 325**, there is a consensus that believes a bill with these concepts can be workable. ([Attachment 6](#))

**Moved by Senator Lee, seconded by Senator Pine, the revisor be directed to draft Substitute Bill 325 with**

CONTINUATION SHEET

MINUTES OF THE Senate Utilities Committee at 9:30 A.M. on March 8, 2007 in Room 526-S of the Capitol.

the provisions set forth in the March 8, 2007 Memorandum for review and consideration by the Senate Utilities committee on Tuesday, March 13, 2007. Motion carried.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 6