

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on May 1, 2003 in Room 231-N of the Capitol.

All members were present except: Senator Wagle, excused

Committee staff present: Raney Gilliland, Legislative Research
Bruce Kinsey, Revisor of Statutes
Ann McMorris, Secretary

Conferees appearing before the committee: Robert Krehbiel

Others attending: See attached list

Chairman Clark called the meeting to order and opened the hearing on confirmation of Robert E. Krehbiel to the position of member of the State Corporation Commission.

Robert Krehbiel gave a brief resume of his background from childhood through school and described the various job positions he has held during his career. He started in the oil industry field after graduating from college in the late 70's and was a practicing attorney. He served ten years in the Kansas Legislature and his last career opportunity has been with KIOGA. (Attachment 1)

Questions from the committee:

Q. How do you see your relationship with the oil and gas industry and how do you separate yourself for KCC decisions?

A. You need all components in the oil and gas business - producers, consumers, transportation - and they need each other.

Q. What will you do for the consumer since you have always been on the side of the producer?

A. Personal integrity is the criteria in this area. I will stand up and do what is right.

Q. As a Commissioner you have influence in other industries - is there a guaranteed rate of return?

A. There is no guaranteed rate of return but there is an opportunity to earn a return on the capital at risk.

Q. What is a non-operating working interest on oil and gas production?

A. I am in with a group who provide capital and take the risk but another operator holds the license and does all the work. Currently, the KCC counsel is checking to see if this is a conflict of interest and if so, I will divest myself from this operation.

Q. What do you feel is the role of KCC on extra compensation to top executives?

A. An obligation to maintain the integrity of the infrastructure and to see that inappropriate costs do not get passed on to the consumer.

Chair closed the hearing.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE at on May 1, 2003 in Room 231-N of the Capitol.

Moved by Senator Barone, seconded by Senator Tyson, the committee approve confirmation of Robert E. Krehbiel as a member of the State Corporation Commission. Motion carried.

Chairman Clark announced that there was an engrossing error on **SB 104** that the Governor signed and that a technical correction bill had been introduced to correct this mistake.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 1