

Approved: April 2, 2003  
Date

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:10 a.m. on February 25, 2003 in Room 526-S of the Capitol.

All members were present except: Representative Annie Kuether

Committee staff present: Mary Galligan, Legislative Research  
Dennis Hodgins, Legislative Research  
Mary Torrence, Revisor of Statutes  
Jo Cook, Administrative Assistant

Conferees appearing before the committee:

Brad Dixon, Kansas Gas Service  
John McNish, Kansas Corporation Commission  
Maurice Korphage, Kansas Corporation Commission

Others attending: See Attached List

Brad Dixon, Vice President for Kansas Gas Service, provided a power point presentation to the committee on the current status of supply of natural gas in Kansas (Attachment 1). Mr. Dixon told the committee that there were solutions to the current concerns about a possible shortage. He said that short-term options included increasing capacity out of the Rockies, expanding existing LNG facilities, increasing Canadian imports, promoting coal bed methane production and increasing the production from the deeper waters in the Gulf. Mr. Dixon stated that the era of surplus deliverability is over and the weather and economy will dictate prices and availability. Mr. Dixon responded to questions from the committee.

John McNish, Director Advisory Counsel for the Kansas Corporation Commission, updated the committee on the Kansas *Ad Valorem* tax refund issue (Attachment 2). Mr. McNish provided a brief background on the issue and on the amount of funds distributed. He stated that there was still one appeal in Stevens County District Court to be completed.

Maurice Korphage, Director of Conservation for the Kansas Corporation Commission, delivered a power point presentation on 'Regulation of Underground Porosity Natural Gas Storage in Kansas' (Attachment 3). Mr. Korphage told the committee about the Commission's authority and showed the location of porosity gas storage fields in the state. He also distributed a memo from Interstate Oil and Gas Compact Commission telling other state regulatory officials about the Kansas regulations, noting the process used was the "best practice" that should be considered by other states. Mr. Korphage responded to questions from the committee.

The meeting adjourned at 10:57 a.m.

The next meeting will be the scheduled tour of the Jeffrey Energy Center on Wednesday, March 5 at 8:00 a.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.