



May 19, 2017

TO: Senate Select Committee on Education Finance

The Eastern Kansas Oil and Gas Association is opposed to the utility fee proposed in SB 251. Many of our members operate numerous wells and/or installations with individual electric meters. The added costs associated with SB 251 will have a significant impact on our ability to produce oil and gas in Eastern Kansas profitably, and in fact will lead to a decrease in oil and gas production due to marginal wells going offline. This in turn leads to fewer jobs for both the producers and service providers, and ultimately has a negative economic impact on many of the rural communities supported by oil and gas production.

Additionally, we believe the idea of linking funding for a specific purpose to a fee on something entirely unrelated is a poor precedent to set. The unintended consequences are many, and in this case it creates significant inequalities among different types of businesses. We understand the need for additional funding, but would prefer to see a more broad-based approach that burdens all types of taxpayers more equitably.

Regards,

Phil Frick

Legislative Chairman – Eastern Kansas Oil and Gas Association