

## PROPOSED Substitute for SENATE BILL NO. 325

By

AN ACT concerning natural gas; relating to gas gathering activities; definitions; amending K.S.A. 55-1,101 and K.S.A. 2006 Supp. 66-105a and repealing the existing sections.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 55-1,101 is hereby amended to read as follows: 55-1,101. (a) As used in K.S.A. 55-1,101 through 55-1,109, and amendments thereto:

(1) "Gas gathering services" means the gathering or preparation of natural gas for transportation, including transportation to a main transmission line or to any secondary exit tap on a gas gathering system, whether such services are performed for hire or in connection with the purchase of natural gas by the person gathering or preparing the gas or a marketer affiliated with the person gathering or preparing the gas. "Gas gathering services" does not include the gathering of natural gas by an owner or operator of gathering facilities who: (A) Does not hold such facilities out for hire on or after the effective date of this act; and (B) does not purchase the gas for resale. Gas gathering services shall not require the installation of new or additional exit taps on a gas gathering system. Existing, new or additional exit taps added to a gas gathering system shall not cause a gas gathering system to be regulated as a public utility as that term is used in K.S.A. 66-104, and amendments thereto, or as a common carrier as that term is used in K.S.A. 66-105, and amendments thereto.

(2) "Exit tap on a gas gathering system" means the point on a gas gathering system at which natural gas is delivered to a consumer, homeowner, business, agricultural user, person, gas marketer or public utility.

~~(2)~~ (3) Other terms have the meanings provided by K.S.A. 55-150, and amendments thereto.

(b) The provisions of K.S.A. 55-1,101 through 55-1,109, and amendments thereto, shall be part of and supplemental to chapter 55 of the Kansas Statutes Annotated.

Sec. 2. K.S.A. 2006 Supp. 66-105a is hereby amended to read as follows: 66-105a. (a) On and after July 1, 1997, the term "public utility" as used in K.S.A. 66-104, and amendments thereto, and the term "common carriers" as used in K.S.A. 66-105, and amendments thereto, shall not include any gas gathering system, as defined in K.S.A. 55-150, and amendments thereto, including transportation of gas on a gas gathering system to a main transmission line or to any exit tap as defined in subsection (a) of K.S.A. 55-1,101, and amendments thereto. Except for sales made by certain nonprofit utilities as defined by K.S.A. 66-104c, and amendments thereto, and sales to a rural gas user under the rural self-help gas act, under K.S.A. 66-2101 et seq., and amendments thereto, persons who sell gas after delivery of gas through an exit tap on a gas gathering system shall be regulated as a public utility as that term is used in K.S.A. 66-104, and amendments thereto.

(b) Notwithstanding the provisions of subsection (a), for those persons providing gas gathering services in such a manner that allows end use customers to obtain natural gas by direct connection to a gathering system, the commission shall have authority, upon complaint or petition or upon its own motion, to determine the reasonableness of, and regulate and supervise, any health or safety related curtailment or proposed health or safety related curtailment of natural gas that results in the loss of service to the end use customer.

(c) Any person providing gas gathering services in such a manner that allows the offering of natural gas from a gas gathering system to an end use customer shall give notice thereof to the commission and to each affected end use customer and public utility of its intent to curtail service

that will result in the loss of natural gas service to the end use customer. Except in the case of an emergency, notice shall be provided at least 30 days prior to such curtailment. In the case of an emergency, service to residential dwellings or commercial offices may be curtailed immediately upon a good faith belief that an emergency exists. Notice shall be given immediately to the end user and public utility. The person curtailing service, within 24 hours of the determination of the emergency, shall report the curtailment to the state corporation commission and provide the basis for and evidence supporting the good faith belief that curtailment was necessary under the emergency provisions of this subsection. In the event that the curtailment was not based upon a good faith belief and was unnecessary, as subsequently determined by the state corporation commission, the person curtailing service shall be held responsible for the cost of the service curtailment, including any reconnection cost and temporary heating costs.

(d) Nothing contained in subsections (b) and (c) shall be construed to diminish any authority vested in the commission prior to the effective date of this act.

Sec. 3. K.S.A. 55-1,101 and K.S.A. 2006 Supp. 66-105a are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.