



KANSAS SENATE SELECT COMMITTEE ON EDUCATION FINANCE

May 19, 2017

RE: SB 251 - An Act concerning utilities; imposing certain retail customer service fee; relating to education funding.

Testimony of David P. Bleakley - Executive Vice President

Colt Energy, Inc.

Our company is a small independent oil and gas producer in Eastern Kansas that employs 42 people that operate and maintain oil and gas wells throughout Eastern Kansas. We estimate the "Denning Proposal" would cost our company \$33,000 to \$35,000 per year and many other oil and gas companies like our company would be facing similar fees for multiple retail utility meters mainly electric, but also water and gas.

Our utility rates have increased 40% in some areas we operate in and much higher in other areas over the last eight years and to add this utility fee on to our already high utility rates does not seem fair. The nature of the oil and gas industry is to setup a meter per lease in some areas and a meter per well in other areas which amounts to many multiple meters and does not seem equitable when compared to other commercial users of utility meters that have one or less than five meters.

On top of this proposed utility fee increase the price we received for oil and gas since 2014 has been dismal at best with our company laying off 10% of our workforce in that time period. This utility fee increase could force many oil and gas companies to shut down their very marginal wells requiring fewer workers to operate and maintain those wells which means less production and therefore less taxes to the county and state.

Therefore, Mr. Chairman and members of this Committee, our company is very opposed to this proposal being inserted into SB 251 and feel it has many unintended consequences that I haven't even discussed in this testimony detrimental to the citizens of our state. We encourage the committee to vote no on this proposal.

Thank you for your time.

David P. Bleakley

Executive Vice President

Colt Energy, Inc.

913-236-0016 office

913-262-0058 fax

dpleakley@coltenergy.com

Corporate Office

P.O. Box 388 - 1112 Rhode Island Rd.

Iola, Kansas 66749-0388

Phone (620) 365-3111 Fax (620) 365-3170

Kansas City Office

6299 Nall Ave., Suite 100

Mission, Kansas 66202-3547

Phone (913) 236-0016 Fax (913) 262-0058