

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:09 a.m. on January 28, 2002 in Room 526-S of the Capitol.

All members were present except: Representative Gene O'Brien
Representative Tricia Lightner

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

Conferees appearing before the committee: Charles Benjamin, Sierra Club
Ron Hein, Pioneer Natural Resources
Steve Hanna, UtiliCorp United
Ron Gaches, El Paso Corporation

Others attending: See Attached List

HCR 5039 - Urging Congress to extend or reinstate the federal wind energy production tax credit

Chairman Holmes opened the hearing on **HCR 5039**. Written testimony was jointly submitted in support of **HCR 5039** (Attachment 1) by Kansas Electric Cooperatives, Sunflower Electric Power Corporation and Kansas Electric Power Cooperative, Inc.

Charles Benjamin, on behalf of the Sierra Club, appeared in support of **HCR 5039**.

Chairman Holmes stated that the resolution was a result of work done by the interim committee. The hearing was closed and debate opened.

Representative McClure moved to recommend HCR 5039 be adopted. Representative Kuether seconded the motion. Motion carried. Representative Showalter will carry the resolution.

The joint meeting of the House and Senate Utilities Committee convened at 9:30 with Senate Chairman Clark presiding. The purpose of the joint meeting was to hear presentations on the status of the natural gas and oil industries.

Ron Hein, appearing on behalf of Pioneer Natural Resources, provided information about the company's history and production interests (Attachment 2). Mr. Hein also detailed the company's severance and *ad valorem* tax situation in Kansas. Mr. Hein explained that Pioneer was also looking long term at the industry and their future needs.

Steve M. Hanna, Regional Director Kansas, Colorado, Missouri - Gas Field Operations - UtiliCorp United, highlighted the 2001 operations and addressed the 2002 outlook, opportunities & challenges for his company (Attachment 3). Mr. Hanna stated that they served nearly 100,000 Kansas customers with over 120 employees.

Ron Gaches, appearing on behalf of El Paso Corporation, shared comments about the company's plan to strengthen its capital structure and enhance its liquidity in response to market conditions caused by Enron's bankruptcy (Attachment 4). Mr. Gaches outlined the key elements of the plan stating it would ensure that El Paso remains one of the strongest and most stable competitors in the industry.

Mr. Hein, Mr Hanna, and Mr. Gaches responded to questions from members of the joint committee.

The joint meeting adjourned at 10:30, with House Utilities resuming their order of business.

Chairman Holmes called for bill introductions. Representative McClure requested that a bill dealing with rural telecommunication companies be conceptually introduced. Representative Sloan seconded the motion. The motion carried.

The meeting adjourned at 10:34 a.m. Next meeting is scheduled for January 29, 2001.