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Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

January 22, 2013

Honorable Pat Apple, Chairman Senate Utilities Committee Statehouse, Room 224-E Topeka, Kansas 66612

Dear Senator Apple:

The Kansas Corporation Commission would respectfully request the Senate Utilities Committee to introduce the following legislation. The proposal amends KSA 66-1,153, 66-1,154, and 66-1,157a. K.S.A. 66-1,153 was updated last year to reflect terminology used at the federal level which is more inclusive so that the KCC may assess pipeline safety fees to more entities engaged in the operation of gas pipeline systems in Kansas. (Draft language attached—13rs0282)

The Corporation Commission respectfully seeks introduction of this proposal through the Senate Utilities Committee. Should you have questions, please feel free to call me at 271-3190.

Thank You,

Thomas A. Day Legislative Liaison AN ACT concerning utilities; relating to the Kansas corporation commission; gas pipeline safety; amending K.S.A. 66-1,154 and 66-1,157a and K.S.A. 2012 Supp. 66-1,153 and repealing the existing sections.

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

Section 1. K.S.A. 2012 Supp. 66-1,153 is hereby amended to read as follows: 66-1,153. As used in this section, terms have the meanings provided by 49 C.F.R. § 192.3, as in effect on July 1, 2013. Every person engaged in the operation of gas pipeline systems in this state subject to the jurisdiction and control of the state corporation commission under K.A.R. 82-11-1 et seq. shall annually pay a fee to the commission for the inspection and supervision of the standards of safety prescribed by rules and regulations adopted in conformance with the natural gas pipeline safety act of 1968 (49 U.S.C. § 60101 et seq.), as amended. Nothing in this act shall apply to any public utility required to pay the fee provided for by K.S.A. 66-1503, and amendments thereto. Such fee shall be due and payable on or before September 1 of each year, commencing in the year 1973, and shall be for the fiscal year in which payment is due. Such fee shall be in addition to any and all property, franchise or license fees and other taxes, fees and charges fixed, assessed or charged by law against such utility.

- Sec. 2. K.S.A. 66-1,154 is hereby amended to read as follows: 66-1,154. As used in this section, terms have the meanings provided by 49 C.F.R. § 192.3, as in effect on July 1, 2013.
- (a) The amount of such fee shall be fixed in relation to the number of active gas meters in service within the service area of each public utility person engaged in the operation of a gas pipeline system. The fee shall be fixed by rules and regulations adopted by the state corporation commission at rates in accordance with K.S.A. 66-1,153 and amendments thereto and this

section.

- (b) The rates prescribed by this section prior to the effective date of this act shall continue in effect until different rates are fixed by rules and regulations adopted by the state corporation commission under this section.
- Sec. 3. K.S.A. 66-1,157a is hereby amended to read as follows: 66-1,157a. (a) As used in this section, terms have the meanings provided by 49 C.F.R. § 192.3, as in effect on the effective date of this act July 1, 2013.
- (b) Except as provided by subsection (c), a public utility, municipal corporation or quasi-municipal corporation which renders any person rendering gas utility service shall have full responsibility for maintenance of all pipelines that convey gas from a gas main to the outside wall of residential premises which are individually metered and directly served by such utility or corporation and is hereby granted the necessary access rights to carry out such responsibility.
- (c) A city of the third class, or a city having a population of 2,000 or less, which renders gas utility service shall have responsibility for inspection of pipelines described in subsection (b), but shall not otherwise be responsible for maintenance of such pipelines.
- Sec. 4. K.S.A. 66-1,154 and 66-1,157a and K.S.A. 2012 Supp. 66-1,153 are hereby repealed.
- Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.