



Testimony to Senate Utilities Committee
Senate Bill 145

Kasi Morales

Key Accounts/Marketing Manager, McPherson Board of Public Utilities
&
Executive Director, McPherson Industrial Development Company

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Chairman Masterson and Members of the Committee:

My name is Kasi Morales, the Key Accounts Manager for the McPherson Board of Public Utilities. I also serve as the Executive Director of the McPherson Industrial Development Company (MIDC). MIDC is the contracted industrial business retention, expansion and recruitment agent for the City of McPherson.

MBPU is a municipal utility that was created by the City of McPherson and is charged with the responsibility for providing water and electric service. The MBPU Board is appointed by the democratically elected City Commission. Meetings are subject to both the Kansas Open Records Act (KORA) and the Kansas Open Meetings Act (KOMA) and our utility follows a similar ratemaking process to that of all other utilities in Kansas, except our utility regulator is elected by our community and can be responsive to community needs because they are reflective of the community.

McPherson BPU's business model, of local control, has been extremely successful and very beneficial to McPherson and the surrounding area. All utility revenue comes from electric and water sales. MBPU supplies service to approximately 8,500 electric customers in and around McPherson. The utility sold over 1 billion kWhs in 2018 with over 75% of those sales going to industry that provide over 8,500 industrial and 16,000 total jobs to the area.

McPherson is home to several multinational companies including a refinery, injectable pharmaceutical company, fiberglass insulation plant, and numerous plastic extrusion and molding companies. Local control of the utility has allowed it to build and maintain a system that is extremely reliable, which is critical to the success of continuous process feed industries.

In addition, MBPU has very competitive rates. The utility continues to see increased sales when most electrical utilities are seeing the opposite. During the most recent downturn in the economy, local industries with facilities in other parts of the country were able to maintain production in McPherson, due to low rates.

MBPU customers will not benefit from additional regulation, and consequently the utility opposes SB 145.