

PUBLIC UTILITIES COMMISSION CITY OF CLAY CENTER

MUNICIPAL ELECTRIC & WATER

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Testimony to Senate Utilities Committee

Senate Bill 145

Scott Glaves, General Manager

Clay Center Public Utilities Commission

February 18, 2019

Chairman Masterson and Members of the Committee:

My name is Scott Glaves, General Manager for Clay Center Public Utilities in Clay Center, Kansas. Clay Center Public Utilities is a municipally owned utility that was formed as a Board of Public Utility (BPU) and is charged with the responsibility of providing water and electric service to its citizens. All utility revenue comes from electric and water sales. Clay Center supplies service to approximately 2,800 electric and 2,300 water customers in and around Clay Center.

In 1905, Clay Center Mayor George Hann held a special City Council Meeting. In that meeting, two proposals were presented to the public for approval. The first proposal was to issue bonds to finance a municipal power plant and the second was to create a Board of Public Utilities to manage and operate the power plant and public water system. We have proudly served our community for over the last 114 years.

The Clay Center Public Utility Commission (CCPUC) is made up of three Commissioners. Commissioners are appointed by the Mayor and that appointment is voted on by the City Council. Commissioners serve a three-year term and may be reappointed. They must reside in our service territory and take electric

and water service from our utility. Clay Center Public Utility Commission has been blessed to have local business professionals serve and dedicate their time to governing our utility.

At the Clay Center Public Utility Commission, we pride ourselves on our accessibility and accountability. Our utility has a long-standing reputation of running a “tight ship”. We believe that our facilities and infrastructures should directly reflect the way we do business. Our employees are on staff 24/7 to assist any of our customer’s needs. Practically the entire town knows that “Bill Callaway’s Power Plant” (Bill Callaway is our now retired longtime head of the utility) is spotless, well-run, and open to any community member that would like a tour. Unlike larger utilities that have layers of computerized call centers, when Clay Center citizens call with a question about their bills, they immediately speak to one of their neighbors that work for the utility. Of course, this doesn’t prevent them from stopping us at the grocery store, the post office or the school concert, which we are always happy to do.

In addition, Clay Center has very competitive rates. Clay County reached peak population in 1890, but Clay Center continues its modest growth because of the dependable employers based here that can count on competitive power prices and tailored, reliable service.

As an example, Clay Center Public Utility Commission has a strong partnership providing future power to one of the pumping stations of the TransCanada Keystone pipeline that runs through Kansas. TransCanada was thrilled to work with us because our rates were so competitive and they knew we could provide the steady, reliable service a large pumping station requires.

When and if rate changes are necessary, that process begins with the Clay Center Public Utility Commission. The Commission would consider and approve (or reject) an ordinance stating the rate change and justification. From that point, the ordinance would move on to the Administration Committee of the City Council. Once the Administration Committee is satisfied, the ordinance would then move on the full City Council for approval. All rate changes must gain approval from both the CCPUC and the City Council.

SB 145 would add another form of regulation on top of what our two local forms of governance currently provide. Clay Center BPU is already accountable to the community it serves with multiple democratic opportunities for community engagement. This proposed legislation would also allow the Kansas Corporation Commission to order substituted rates at the expense of our utility and our customer-owners upon the petition of a very small subset of customers. This added third tier of governance and costs associated with it would do nothing more than raise our rates.

We respectfully oppose SB 145.