



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
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February 15, 2022

To: Senate Committee on Utilities
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Testimony on Senate Bill 349, limiting increases on electric retail rates and providing exceptions.**

Chairman Thompson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 349. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans across the state. These industries also function as good corporate citizens, paying millions of dollars in property taxes annually which support schools and state and local government.

Members of these industries are also high industrial users of energy. The ability of our members to operate a competitive or profitable business is often dependent upon the amount of input costs, such as utilities.

It is unfortunate that Kansas has the highest electric rates in our region. Paying higher energy rates than similarly situated users in the Midwest causes Kansas industries to be less competitive. In addition, as grain elevators and biofuel processors must operate continuously, they are also assessed higher rates for peak use. These high energy costs on Kansas industry are not sustainable and have even caused some to pursue on-site cogeneration as an alternative means of energy.

It is our understanding that Senate Bill 349 would prohibit the Kansas Corporation Commission from approving any increase in retail electric rates for an electric public utility that would be an annual increase greater than 1.0 percent over the preceding calendar year if the public utility does not file for a rate increase in two or more subsequent years.

In as much as Senate Bill 349 would help position our state toward more regionally competitive electric rates, while maintaining reliable electric service and ensuring Kansas remains a competitive state to do business, we stand in support of the bill.

Thank you for allowing us the opportunity to testify in support of Senate Bill 349. We respectfully request that the committee pass the bill out favorably.