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Support for Sub. SB 69 –Initiating a Study of Kansas Electric Issues

**Before the Kansas House Committee on Energy, Utilities and Telecommunications
March 19, 12, 2019**

**Presented by Bruce Graham, CEO
Kansas Electric Cooperatives, Inc.**

Chairman Seiwert and members of the House Committee on Energy Utilities and Telecommunications, thank you for the opportunity to appear today on behalf of Kansas Electric Cooperatives, Inc. (KEC), and our respective members to comment in support of Sub. SB 69. I am KEC's CEO, Bruce Graham.

KEC is the Kansas statewide service organization for 28 electric distribution cooperatives and three generation and transmission cooperatives. Formed on August 18, 1941, and headquartered in Topeka, KEC represents the interests and provides needed services and programs to the electric co-ops that serve Kansans. Our major programming areas include advocacy, education, communications and safety/loss control.

As a member of the group brought together in the Senate to work out language that could be included in a study of electric utility issues, I speak for the electric cooperatives in support of the list of topics in Sub. SB 69. The bill before you reflects a compromise between the proponents and opponents and the language blends the concepts of the original SB 69 and SB 181. SB 181 was an alternative study bill with a list of topics that would have been examined by a 25-member task force of citizens, utilities, industry, legislators and other policy makers in a meaningful and thorough process.

Sub. SB 69 will require that a consultant, or team of consultants, review and opine on some important subjects that we believe merit review. I think all parties recognize that this will be a significant challenge - one that will take considerable resources with two-thirds-of the study due by January 8 and rest due six months later.

And while we have agreement on the topics and the participants, there remains concern and questions over the funding mechanism.

That being said, we hope all Kansans will benefit if there are recommendations that impact electric rates. As such, the most equitable method for that investment would be funding the study through a State General Fund allocation. That is particularly important given the uncertainty of

the cost of this study. The fiscal note on the original SB 69 was \$1.2 million and that was for a broader list of topics. However, we know many are concerned this examination could easily exceed that quick cost estimate.

There are no limits in Sub. SB 69 on the total dollars that could be expended on the study. Obviously, a blank check worries the 28 not-for-profit electric cooperatives that will be subject to more than 20 percent of the cost of the study.

We appreciate the efforts of the Chairman, the Committee and staff to accommodate this hearing during the remaining days of the session. With the bill coming to you this late in the session, we anticipate the Committee might have questions regarding the bill or our testimony and we would stand for questions at the appropriate time.

Thank you.