



February 9, 2023

Dear Chairman Delperdang and Members of the Committee:

Like most Americans, Kansans are dealing with a cost of living crisis. This cuts into family budgets and the bottom lines of small businesses. Spiraling energy prices are hitting pocketbooks especially hard, and in Kansas, high electricity prices are leading the way. According to the most recent data from the U.S. Energy Information Agency, our state has some of the cheapest gasoline prices in the country. Yet, we rank #34 in terms of electricity prices. We needed more oversight to determine why Kansans pay so much more for electricity than gasoline compared to other states.

HB 2225 would bring overdue scrutiny to utility costs, discipline to discretionary transmission investments, and close our state's performance gap between electricity and transportation fuel. Building new transmission is big business, and Transmission Delivery Charges (TDCs) represent a significant part of Kansans' utility bills. However, TDCs are not reviewed by the Kansas Corporation Commission under current law. Without oversight of recovered costs, it's no wonder that Kansans pay so much more for electricity than for transportation fuel.

This is a problem, and the impacts on rate payers will only grow. The federal government is increasingly pushing renewables onto the grid. These renewables sources are often located far outside cities and can be unpredictable because they rely on Mother Nature. For these reasons, experts say that incorporating more renewables on the grid will require a lot of new transmission construction. The Kansas Corporation Commission should have the authority to make sure discretionary transmission costs are prudent and reasonable before utilities can pass the bills onto Kansas families and businesses.

We believe this responsibility for the KCC should be accompanied by increased accountability for the KCC so that a commitment to Kansas ratepayers who are at the mercy of monopolistic energy practices are thought of during decision making.

Sincerely,

Elizabeth Patton

State Director

Americans for Prosperity-Kansas