



**Written Testimony of James Ging
Director of Electric and Water
City of Winfield, Kansas**

**House Energy & Environment Committee
February 12th, 2016**

In Opposition to H.B. 2623

Members of the House Energy and Environment Committee:

Thank you for the opportunity to provide testimony in opposition to H.B. 2623. My name is James Ging and I am the Director of Electric and Water for the City of Winfield, Ks. The City of Winfield owns 26 miles of transmission facilities and 5 substations that deliver bulk electricity to its 7,286 customers. Winfield is connected by three interconnections that are owned and operated by Westar. Winfield's transmission infrastructure was originally funded by its customers in the late 1980's. With the advent of the SPP RTO Winfield was able to incorporate its transmission facilities into the bulk transmission system. This allowed its customers to receive a rate of return on facilities that they own and maintain. Winfield receives approximately \$300,000 yearly for their investment into the bulk transmission system. This revenue is used to maintain the system and offset rate increases that would be needed to maintain and improve the system that is now over 25 years old.

Winfield and its customers have a vital interest in the adequacy of transmission facilities and desires the ability to construct future facilities where they may be needed to improve or maintain reliability to any or all of its customers. H.B.2623 will stand in the way of Winfield from building this infrastructure.

While Winfield and its customers have concerns about the bill, I respectfully submit that all citizens served by our Municipal Joint Action Agency have reason for concern for the financial consequences. It is known that regulated utilities are allowed substantial rates of return on equity with additional allowances for debt. In contrast, municipal energy agencies' ability to issue municipal bonds lower those costs to roughly one-half. When people who actually pay the electric bill know this, they are instantly inclined to favor the lower cost.

To summarize, The City of Winfield and its customers want to be confident they have the option to construct critically needed facilities at the most reasonable cost to their end-users of electric energy.

Thank you for allowing the opportunity to provide testimony in opposition to legislation that is detrimental to the City of Winfield and other municipal electric utilities.