



**Written Testimony of Scott Jones
Before the Senate Assessment and Taxation Committee
In Opposition of SB 261
March 19, 2015**

Mr. Chairman, members of the committee, thank you for the opportunity to address this important issue. First, let us express our gratitude and understanding regarding the important work you're doing to manage the state budget.

Without a doubt, these are challenging times and there are no easy answers. Kansas City Power & Light (KCP&L) is involved today to express our concern about the prospect of adding a state sales tax to residential energy bills.

KCP&L works hard to manage electricity costs and is focused on offering customers reliable and fairly-priced electricity, and today still has electricity rates that are below the national average. However, the changing dynamics of the energy sector is causing energy costs to increase. Over the past decade KCP&L has made significant investments in our system, due in large measure to government mandates impacting our industry. These investments have delivered a new state-of-the-art power plant to power our region for the next forty years, one of the largest renewable energy portfolios in Kansas and Missouri, major environmental upgrades at existing coal plants to significantly improve the regional environment and an innovative energy efficiency portfolio to invest in making our customers' homes and businesses energy efficient. Those investments have improved service, reliability and the environment for our customers, but have also caused electricity rates to increase. The costs associated with these investments are eventually passed on to our customers through rate increases such as the current proposal in front of the Kansas Corporation Commission. To assist customers, KCP&L has many programs and policies to manage energy usage and costs, such as energy efficiency, low income assistance and flexible bill arrangements.



We understand the pressure the Kansas Legislature is under to manage growing budget issues. However, we believe adding a sales tax to the existing electricity rates will only exacerbate current and future electricity rate pressures and be difficult for customers to absorb.

We come before you today to raise our concerns about further raising bills on our customers as the State continues to look for ways to address the budget issues.