

Citizens' Utility Ratepayer Board

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SENATE UTILITIES COMMITTEE HB 2034

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
February 6, 2007

Chairman Emler and members of the committee:

Thank you for this opportunity to appear before you today and offer testimony on HB 2034. The Citizens' Utility Ratepayer Board opposes this bill for the following reasons:

HB 2034 removes the sunset provision in K.S.A. 66-1233 *et seq.*, ("the Kansas Energy Security Act") currently set to expire on July 1, 2007.

CURB is not opposed to utility recovery of prudently incurred security cost expenditures in consumer rates. In fact, CURB has participated in several utility rate cases in the last few years where security cost recovery was an issue. In each case, the security cost details were filed confidentially and addressed like any other confidential information in the case. The purpose and intent of the statute has been accomplished through the normal rate case proceedings before the KCC.

CURB has continually opposed the provisions of the Kansas Energy Security Act on the basis that the statute does not allow adequate notice and opportunity for review. This law is unnecessary as normal regulatory procedures have proven adequate to deal with the issue of security costs. As such, CURB recommends the sunset provision in this statute remain in place and the law be allowed to sunset on July 1, 2007. As an alternative, CURB recommends amending the statute to extend the sunset date to 2009. The necessity of the law can be reviewed again at that point in time. In no instance does CURB believe that the sunset should be removed entirely.

CURB respectfully requests that the committee not pass HB 2034.