



MARK A. SCHREIBER
Director, Public Affairs

**Testimony of Westar Energy, KCP&L and KEPCo
Before the Senate Natural Resources Committee
On HB 2685
March 2, 2012**

Good morning Chairman Ostmeyer and members of the committee. Thank you for the opportunity to provide neutral testimony on HB 2685.

The bill allows for the formation of reservoir improvement districts by eligible water right holders in a reservoir. Many of us heard testimony this past fall in the Joint Committee on Energy and Environmental Policy meetings about the deteriorating conditions of our Kansas reservoirs. To slow or stop the degradation will take significant resources, and many questioned from where the money will come.

The owners of Wolf Creek Generating Station are neutral on HB 2685. In March 1976, the owners of the plant entered into a water purchase contract with the state for water from John Redmond Reservoir. The contract allows Wolf Creek to request a withdrawal of water from the reservoir into the Neosho River, from which the water is then pumped to the 5,000 acre Wolf Creek Cooling Lake (now called Coffey County Lake). Article 11 of the contract states "The State shall make all reasonable efforts to protect and perfect the water reservation right necessary for the satisfaction of the water supply commitment,...." Through our contract with the state we believe we are already paying for protection of the reservoir. If an improvement district were established for John Redmond Reservoir, we, or more accurately, our customers, would be paying twice for that protection. In addition, those other users of the reservoir, such as boaters, fishermen and hunters would benefit without participating in the district.

Our current contract with the state is up for renewal in 2018. At that time we believe the contract rate for the water will rise significantly, thus providing additional funds for protection of the reservoir. Although the creation of a district for John Redmond Reservoir may not be pursued if the bill becomes law, other reservoirs and their associated water right holders may find it to their benefit to create and participate in such a district.

Thank you again for the opportunity to testify. I will stand for questions at the appropriate time.