



*Written Testimony Before the*

## **Senate Utilities Committee**

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*Colin Hansen  
Executive Director  
Kansas Municipal Utilities*

### **House Bill 2047 - Municipal Energy Agencies**

Kansas Municipal Utilities (KMU) is the statewide association that represents the interests of municipal electric, natural gas, water and wastewater utilities. Founded in 1928, KMU's 166 members provide utility services to over one million Kansans.

**KMU strongly supports House Bill 2047.** We believe the legislation would allow municipal energy agencies like the Kansas Municipal Energy Agency (KMEA) to conduct its business of providing low-cost and reliable electricity to Kansas communities in a more efficient and effective manner.

Sweeping changes have occurred in the electric industry over the past decade. One change for many municipal electric utilities has been an increased difficulty in securing firm transmission contracts that might reliably deliver a city's power supply. With the potential move to a Regional Transmission Organization (RTO) environment, we expect the requirements necessary to contract for transmission services to continue to tighten. Many cities look to their municipal energy agency to negotiate and secure these transmission arrangements.

By eliminating the requirement that municipal energy agencies comply with state cash-basis laws, HB 2047 provides municipal energy agencies the flexibility that they need to arrange for the firm transmission service for their members. Other clean-up language in the bill regarding residency requirements for directors and uniform commercial code requirement would also allow municipal energy agencies to operate more efficiently and with the best and most qualified policymakers possible.

We urge the Committee to approve HB 2047.