



The Victory Electric Cooperative Association, Inc.
P.O. Box 1335 • 3230 N 14th Ave.
Dodge City, Kansas 67801
800.279.7915 • 620.227.2139 • 620.227.8819 (fax)
www.victoryelectric.net

Kansas House Energy & Environment Committee Comments Provided in Support of HB 2623

*Testimony of Shane Laws, CEO, The Victory Electric Cooperative Association, Inc. on behalf of
The Victory Electric Cooperative Association, Inc., Lane-Scott Electric Cooperative, Inc., Pioneer Electric
Cooperative, Inc., Prairie Land Electric Cooperative, Inc., Western Cooperative Electric Association, Inc.,
Wheatland Electric Cooperative, Inc.*

February 12, 2016

Mr. Chairman, members of the committee, thank you for allowing me to share my thoughts on the proposed Right of First Refusal House Bill 2623. I believe it is imperative we keep the control of the transmission development process in the hands of local utilities who know firsthand the financial impact these decisions can have on our ratepayers. My name is Shane Laws, I am the CEO at The Victory Electric Cooperative Association headquartered in Dodge City.

We are proud to provide retail electric service to a variety of members from individual residences to large industrial members. As a not-for-profit electric cooperative, our goal is to provide the best possible service at the lowest possible price for all of our members. Specifically, we recognize our responsibility to ensure fair rates for our large industrial members as they employ the individuals that live in our communities and help to sustain local economies.

Our large industrial members are part of global industries in agriculture and oil and gas. These industries are the economic engine that drives our economy. We work closely with them to keep an open discussion of the changes to our rates and the items that could have negative impact on rates. The recent increase in the transmission cost for Kansas utilities in the Southwest Power Pool is concerning for all of us. The EPA's negative stance on coal and the US Fish and Wildlife's recent listing of the Lesser Prairie Chicken on the threatened species list are two examples of regulatory requirements out of our control that will have an adverse impact on our rates.

Fortunately, until now, my members, large and small, have benefited from their cooperative looking out for them and pushing back on unnecessary projects. A prime example, by maintaining control of transmission upgrades, six cooperatives in western Kansas have saved our members, and fellow Kansans, more than \$167 million in unnecessary expenses. HB 2623 allows Kansas to retain control over a transmission construction process that provides great customer protections. This bill deals with lower voltage projects that directly interconnect with distribution systems that deliver the power to your home. You'll hear about concerns for a patchwork system of responsibility for these lower voltage systems. You'll hear about concerns regarding the incentive to build projects that aren't needed. You'll hear that competition is good. Not necessarily. Your local utility is in the best position to develop projects that balance keeping rates as low as possible and providing the facilities to meet what is, hopefully, the needs of a growing community.

On behalf of Victory Electric Cooperative, I want to thank the Committee for the time to review our comments. Feel free to contact me at 620-227-2139 with any questions you might have.