

**SB 209 Testimony by Gary Aksamit, Chairman of Americans For Electricity Choice
Presented to the Kansas Senate Utilities Committee
March 15, 2017**

I am providing testimony in support of SB 209. Providing unbundled bills to Kansas ratepayers is important because Kansas electricity utilities are monopolies and the customers do not have a choice of electricity providers. Unbundled billing requires electricity providers to be accountable for their decisions that impact rates. Electric rates in Kansas have gone up substantially since 2005. Using information obtained from the US Energy Information Administration (EIA Form 823), the following table was created to show the increases to Kansas Ratepayers.

	2005	2016	% Increase
Residential	7.90	12.95	64%
Industrial	6.60	10.24	55%
Commercial	4.85	7.40	53%
Total	6.55	10.40	59%

To show you how unbundled billing information is useful in knowing which part of your bill is causing a rate increase, I've attached a graph showing some interesting data from the state of Texas (a competitive market with unbundled billing). Using data from the Texas Public Service Commission, this graph shows the transmission and distribution cost vs. energy costs in Texas since 2002. It shows that since 2009, the energy charge – or cost of the raw electricity – in 2016 is basically what it was in 2002; however the transmission and distribution costs have increased steadily since 2002. Without unbundled billing, the customer cannot see the cost of the transmission and distribution going up and ask questions about why that is occurring. This data clearly shows that rate increases are happening because the providers of the transmission and distribution are raising their rates.

The only reason this kind of data is even available is because utilities in this geographic area must unbundle their bills.

In August of 2016, I had the pleasure of serving on a panel with the CEOs of Midwest Energy and Sunflower Electric Power Corporation. At that time, I brought up unbundled billing as a way to bring more transparency to consumers and more accountability to electric providers.

Both individuals on that panel said they would not have an issue with Kansas having unbundled billing. One of them even said they already did it.

Some opponents of SB 209 believe having unbundled electricity bills will lead to a competitive environment for electricity. While competition requires unbundled electricity bills to separate the individual charges of energy, transmission, distribution and demand from the different companies that are providing those parts of the bill, unbundled billing does not mandate competition. The discussion for unbundled billing is different and should not be confused with discussion about competition.

There is no reason electricity utilities should oppose SB 209 unless their goal is to hide information from their customers or they do not want to be held accountable for their rate increases. The citizens of Kansas don't have a choice of who provides them with electricity, and because of that, all Kansans certainly deserve to know what they are being forced to pay for when they receive their electricity bill.

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ERCOT (Retail Choice): Transmission and Distribution Cost vs. Energy Cost

