

Before the Kansas Senate Committee on Utilities

March 15, 2017

Testimony of DS&O Electric Cooperative, Inc. in Opposition to Senate Bill #209

DS&O is joined in this testimony by:

Radiant Electric Cooperative, Inc.

Fredonia, Kansas.

Sumner Cowley Electric Cooperatives, Inc.

Wellington, Kansas

Written Only

DS&O Electric Cooperative, Inc. (DS&O) is Kansas' first electric cooperative. When it began in 1937, it served 647 members in three counties. Today DS&O has over 2,500 miles of distribution line serving almost 8,500 meters in nine counties in north central Kansas.

Chair Olson and members of the Senate Committee on Utilities:

My name is Timothy J. Power. I am the CEO of DS&O Electric Cooperative, Inc. (DS&O). I present these comments to express our opposition to SB #209.

In regard to this bill, I would first ask the question, "Why?" At least in the Kansas electric cooperative world, there is very, very little, if any, push for such a law. We are owned by our members. Our members elect and serve as our board of directors. If this is something our membership wants, then our membership already has an avenue to make it happen.

I am sure the bill is being sold as being altruistic and noble. Saying the bill leads to "full disclosure" or "not hiding information" will probably be expressed. I wouldn't be surprised to hear, "Why would any utility be against it; unless they are hiding something in their rates!"

And that leads me to my second point. If we are going to do such a thing for electric utilities in Kansas, then why not do the same for every other good and service bought and sold? Why not include water, natural gas, gasoline, a loaf of bread, a lawn mowing service, a cup of coffee? What is the difference? Why not break down a restaurant bill into administrative costs, infrastructure costs, overhead costs (like utilities), labor costs, etc.? That would be full disclosure. Of course it would be ludicrous to make such a law. The cost would be extremely high to implement. In the case of DS&O, we would have to invest many thousands of our members' dollars in new billing software in order to show all that information on the bill. Basically, every business would have to reinvent its billing system and spend millions of dollars to make it work. Of course these costs would then be billed back to our customers.

That being said, I think it needs to be stated that the law is truly being proposed to benefit a few large companies. SB #209 is being sold as something to help everyday Kansans, but it is designed to help just a few select companies.

DS&O will offer to support such a bill, with the condition that it applies to all goods and services bought and sold in the state of Kansas. Let's not just be noble and fair with peoples' electric bills, let's apply the

principle to all aspects of Kansas taxpayers' lives. Of course I am being unreasonable, but only to make a point. SB #209 seems altruistic and good on the surface, but there is absolutely no reason those same motives should not apply to every other good and service bought and sold in the state of Kansas.

In the end, if there ever was a "solution in search of a problem", then this is it. Isn't it strange that this proposed law is being pushed by groups outside our state? The same groups that are going state to state trying to get this passed into law. If this supposed lack of information was so important to our members, then we would have heard about it from them. And as a member-owned cooperative, we would already be providing such a service. SB #209 is not a good bill for Kansas.

Respectfully submitted,

Mr. Tim Power
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DS&O Electric Cooperative, Inc.
Solomon, Kansas