



Liberty Utilities[®]
EMPIRE DISTRICT

SUBMITTED REMARKS

Senate Committee on Utilities

SB 339

An Act concerning electric utilities; relating to electric rates; state corporation commission; approval of certain contract rates for electricity; cost recovery from rate classes.

**Whitney Damron
On behalf of Liberty Utilities – Empire District**

February 12, 2020

Chairman Masterson and Members of the Committee:

On behalf of Liberty Utilities, I am pleased to submit these written remarks to the Committee in support of SB 339 that would grant the Kansas Corporation Commission the authority to approve a contract electric rate for incentivizing economic development in our state.

We are all generally familiar with efforts to attract new business investment to our state and local areas in which state and local governments and economic development entities (e.g., local chambers) are able to offer various incentives to private sector businesses to encourage them to locate within a given area of our state. Historically these incentives could be in the form of a property tax abatement, wage incentives and tax credits, land for development, transportation infrastructure and other incentive programs including tax increment financing, community and transportation improvement districts, PEAK (Promoting Employment Across Kansas) and more.

SB 339 would add the opportunity for lower electric rates over a limited period of time to the proverbial economic development toolbox available to the list of economic development incentives available for consideration in these instances.

When a company is looking to undertake a significant expansion or relocation of its business, any number of factors are considered when comparing potential locations between each other (e.g., taxes, workforce, transportation, cost of utilities and more). SB 339 would help make Kansas a more attractive place to expand or relocate with the addition of a special tariff for large users of electricity. Just as important, with this program in statute, those involved in attracting business development will have this incentive “on the shelf” so to speak and ready for deployment rather than current law in which the application for such a tariff would be speculative in nature.

SB 339 requires careful consideration by state or local entities, including the Kansas Corporation Commission, with significant requirements for increased employment, capital investment and state or local participation. As designed, SB 339 would not have a negative impact on existing customers and could serve to help lower taxes and electric rates for other users due to increased property taxes and more efficient usage of electric infrastructure.

Finally, Liberty understands this legislation has been developed over a period of time with negotiations between the State, state regulators and the lead proponent of the bill. Liberty would respectfully suggest consideration could be given to a lower threshold of load in areas of the State that might not be able to attract new investment to meet the increased load requirements currently contained in the bill.

On behalf of Liberty Utilities, we thank you for your consideration of our statement in support of SB 339.

About Liberty Utilities:

<https://libertyutilities.com/>

<https://empiredistrict.com/>

Liberty Utilities' Central Region is headquartered in Joplin, Missouri and provides electric, natural gas, water and wastewater service to nearly 320,000 customers across six states, including Missouri, Kansas, Oklahoma, Arkansas, Iowa and Illinois. The company has approximately electric 10,000 customers in Kansas in the southeast corner of the state.

In Kansas, Liberty Utilities – Empire District owns and operates a 286-megawatt natural gas power plant in Riverton, Kansas and has purchase power agreements with two Kansas windfarms: Elk River Wind Farm in Butler County and Meridian Way Wind Farm in Cloud County. In addition, the company has contracted with Apex Clean Energy to purchase an approximately 300-megawatt renewable wind energy project in Neosho County, Kansas, once the project is operational (scheduled for late 2020).