

Before the Senate Utilities Committee
February 10, 2021

Neutral Testimony on Senate Bill 81

Submitted by Justin Grady, Chief of Revenue Requirements, Cost of Service and Finance,
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On Behalf of The Staff of the Kansas Corporation Commission

Chair Thompson, Vice Chair Petersen, Ranking Minority Member Francisco, and members of the Committee, thank you for the opportunity to provide testimony to your committee today on behalf of the Staff of the Kansas Corporation Commission (KCC or Commission).

Commission Staff is taking a neutral position on SB 81; however, I will provide some general comments and observations about the Bill.

Necessity of the Bill

SB 81 would require the Commission to report the following annually to the Legislature:

(2) the average residential, commercial and industrial electric rates of electric public utilities in Kansas in comparison to the average residential, commercial and industrial rates of electric public utilities from at least nine states in the region, including states contiguous to Kansas, to provide information that may assist future legislative and regulatory efforts to develop forward-looking electric policy that leads to regionally competitive electric rates and reliable electric service. Such report shall contain financial, statistical and narrative information outlining the components comprising each electric public utility's average rates and any other information as the commission deems appropriate. Such report need not include any information regarding any municipal electric public utility or cooperative electric public utility that has elected to exempt itself from the jurisdiction, regulation, supervision and control of the commission.

As this Committee is aware, information relating to the average electric rates across the State of Kansas is frequently presented and discussed before the Committee and the House Energy, Utilities, and Telecommunications Committee. This information is compiled and maintained by the United States Energy Information Administration (EIA), and it is readily available on EIA's website. Utility industry stakeholders in Kansas frequently cite this information in testimony before this Committee.

While Staff does not object to the requirement to provide this information to the Legislature on an annual basis, Staff suggests that it is not necessary to change the law in order for the Legislature to have access to this information. Staff, if requested, would readily appear any time before this Committee and provide the EIA rate comparison data that is referenced in this proposed Bill.

On Thursday, February 4, 2021, Staff of the Kansas Corporation Commission made a presentation to this committee regarding Kansas' regional rate competitiveness, and how the average Kansas electric customer monthly bills compare to customers in surrounding states. This is an example of the kind of presentation that Staff would gladly provide to this Committee, every year if requested, without any legal requirement to do so.

Thank you again for the opportunity to present Staff's testimony regarding SB 81.