

Tuesday, February 14, 2023

House Committee on Energy, Utilities and Telecommunications

Testimony in Support of House Bill 2154

Presented by Eric Stafford, Vice President of Government Affairs

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2154, which would change the structure of the Kansas Corporation Commission from an appointed regulatory body to statewide elected commissioners.

In December, the Kansas Chamber board of directors approved our 2023 legislative agenda. Included this year were two energy-related items focused on restoring parity to ratepayers in the state, as Kansas has seen its electricity ranking slip from 14th best to 32nd for the average cost of electricity. Those two items are:

- **Support efforts to achieve regionally competitive electric rates and delivery costs as well as ensure uninterrupted service regardless of source.**
- **Support further review of modifications to the structure of the Kansas Corporation Commission and its appointment process to support the state goal of regionally competitive electric rates.**

Kansas continues to experience the highest electricity cost in the region for residential, commercial and industrial customers. This uncompetitive position on such an important input for ratepayers has caused our members to voice strong concerns over the relationship between the regulatory agency responsible for oversight of our state's investor-owned utility and lack of concern over the impact their decisions have had on ratepayers in our state.

Last summer, we commissioned a study on energy policy in Kansas where the authors in their recommendations suggested: "Consider whether an expanded, directly elected KCC could better represent consumer interests."

Changing the KCC to an elected body is not a policy change that should be taken lightly. However, electing members to a utility commission is not a new idea that would be unique to Kansas. As a customer of a rural coop simply due to the territory agreements, our board of directors is elected by members in the service territory. Ten states currently elect their utility commissioners.

It has been stated that a cabal of businesses are attempting to tilt the scales in their favor. However, the foot of the utility is so heavy that the scales are far from fair. Our current regulatory structure must change. The current commission has shown almost no interest in respecting concerns from the ratepayers, or the Legislature which has directed the commission to look for policies to move Kansas toward regionally competitive electric rates.

Adopting House Bill 2154 holds commissioners directly accountable to all ratepayers. Families, grandparents, businesses, manufacturers, churches, schools, and universities- all Kansans would have a

say in who protect their interests along with the interests of the regulated industries. Commissioners will know their accountability is to manage the balance between the interests of those ratepayers and the interests of the utility providing electricity to them, rather than operating in a cozy relationship with only the utility.

We don't view this as a game. We aren't trying to change the rules in our favor. Our membership is not a cabal. House Bill 2154 strengthens representation for ratepayers in the KCC which is much needed in Kansas. But even their own mission statement lacks clarity to protect the balance of consumer interests and its regulated industries- *The mission of the Kansas Corporation Commission is to serve the people of Kansas by regulating the State's energy infrastructure, oil and gas production, and commercial trucking to ensure public safety.*

In closing, we would ask for your support of House Bill 2154 and I'm happy to answer questions at the appropriate time.