



KANSAS COOPERATIVE COUNCIL
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Date: February 19, 2018

To: Rep. Joe Seiwert
House Energy, Utilities and Telecommunications Committee

From: Mandy Roe, Director of Member Services
Kansas Cooperative Council

RE: Sub SB 323: Service territory termination

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to provide written testimony in support of Sub SB 323. The Kansas Cooperative Council represents all types of cooperatively structured businesses including agriculture marketing and supply, utility, and financial co-ops and consumer cooperatives. Co-ops differ from other businesses because they are member-owned and operate for the mutual benefit of members. Our comments today focus on the language contained in the original SB 323 concerning service territory termination.

Many cooperatives throughout Kansas, including electric cooperatives, largely serve rural areas. The electrical systems created by rural electric cooperatives power communities across Kansas and ensure the electric infrastructure can meet the demands of the service area, assigned by the Kansas Corporation Commission. The Kansas Cooperative Council is a strong supporter of rural communities and the growth of those communities. However, when municipalities swallow up service territory, it spreads more of the cost of maintaining that rural electric infrastructure to fewer people and drives up the cost of service.

Sub SB 323 builds on existing statutes to help address the potential loss of service territory. The Kansas Cooperative Council believes the proposed bill was diligently crafted and we applaud all parties for reaching a compromise on the issue. Sub SB 323 is a necessary step to ensure retail electric providers have the opportunity to present their case for continuing service to a particular area and the decision to terminate service territory is in the best interest of the public.

On behalf of the Kansas Cooperative Council, thank you again for the opportunity to share our support for Sub SB 323. The KCC would respectfully request, that when the committee considers Sub SB 323 for action, you consider it favorably.

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