



Neutral Testimony for HB 2181

Evergy

Chuck Caisley, Senior Vice President, Marketing & Public Affairs

For the House Energy, Utilities and Telecommunication Committee

February 9, 2021

Chairman Seiwert and members of the Committee:

Thank you for the opportunity to provide our views on HB2181, a bill that appears relatively straightforward but is insufficient as currently drafted resulting in little value toward the goal of driving regionally competitive electric rates in Kansas.

The bill directs KCC to create an annual report comparing average electric rates of electric public utilities with surrounding states in the region. The purpose for this report, as stated in the legislation, is “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.”

This legislature knows a great deal about information related to regionally competitive electric rates. In 2019, the legislature passed a comprehensive rate review study that compared electric rates of Kansas utilities with surrounding states. The two-phase study researched why rates are where they are and what the drivers were that are impacting rates. London Economics International and AECOM published over 500 pages of in-depth reports that studied electric rates along with suggestions that could improve rate competitiveness.

Based on these studies and the utility industry knowledge of retail rate design, some important information we feel will add tremendous value to assisting legislators and regulators in a utility annual report are:

- The rate impact of federal or state mandates.
- Customers with special contracts or reduced rates compared to regional state retail rates.
- Special concessions given to customers and the associated cost impact to other ratepayers.
- Intervenors in rate cases and the fees spent to influence rate making.
- Cost impact of the cold and hot weather rules.
- Drivers of any reductions in rates that occur with other utilities in our region.

We are prepared to offer an amendment adding this information to the annual report along with the original data requested in the bill, should HB2181 move forward. The comprehensive set of data this amendment provides will be useful for future legislators and regulators when addressing regionally competitive electric rates.

Thank you for the opportunity to comment on HB2181. I will be happy to stand for questions at the appropriate time.