


Citizens' Utility Ratepayer Board		
Board Members: Gene Merry, Chair A.W. Dirks, Vice-Chair Francis X. Thorne, Member Nancy Wilkens, Member Carol I. Faucher, Member David Springe, Consumer Counsel	 State of Kansas <i>Kathleen Sebelius, Governor</i>	1500 S.W. Arrowhead Road Topeka, Kansas 66604-4027 Phone: (785) 271-3200 Fax: (785) 271-3116 http://curb.kcc.state.ks.us/

SENATE UTILITIES COMMITTEE
H.B. 2084 (as amended)

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
March 2, 2005

Chairman Emler and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2084. The Citizens' Utility Ratepayer Board is opposed to this bill for the following reasons:

CURB is opposed to this bill because this law is simply unnecessary. The Kansas Corporation Commission has the authority currently to accomplish everything set forth in this bill. CURB supports the concept that a utility with an approved energy efficiency and conservation program receive the "utility's authorized rate of return" on those conservation investments. Since the Kansas Corporation Commission sets the utility's "authorized rate of return" in every rate case, and applies that rate of return to the utility's investments, this bill adds nothing to the existing authority of the Commission. This same concept applies to the type of program contemplated in section 1(b) of the bill related to reducing uncollectible bills. This bill is essentially a restatement of existing practice and authority at the Commission.

CURB does support the Kansas Corporation Commission opening a docket to evaluate conservation and efficiency programs. However, there is a broad range of issues the need to be debated and decided when evaluating whether any particular energy efficiency or conservation program should be implemented. These broad issues should be left to the Commission.

If this bill is passed as written, it may have the unintended consequence of limiting the availability of programs to consumers, and limiting the utility's ability to seek cost recovery. The language in lines 22-24 restricts the utility's recovery to only those instances where residential customers have had an "energy efficiency audit and are current on their bills." While the intent here is good, that being to encourage energy audits and not provide programs to customers that aren't current on their bills, the language may in fact hinder a utility's ability to roll out a program to a broad base of customers, and seek recovery of program costs. For example, if an electric utility wanted to provide compact florescent light bulbs to its customers as part of one of these programs, it would be unreasonably restrictive and cost prohibitive to require an energy audit before a customer could receive a \$4.00 light bulb. Again, the proper venue for dealing with these issues is the Kansas Corporation Commission, and not through prescriptive legislation.

If the bill does go forward however, CURB recommends that the language be amended as follows:

- Delete “have an energy audit and” at line 22. This leaves the requirement that customers be current on their bills, but eliminates the energy audit as a requirement.
- Delete section 1(c) in its entirety. Amend section 1(a) to include “and commercial” at line 22...so that residential and commercial customers are cover in a single section.

CURB respectfully requests that the Committee not pass this bill. If the intent of the bill is to encourage the Kansas Corporation Commission to investigate the implementation of energy efficiency and conservation programs, CURB supports that intent. However, this bill at best simply restates the Commission’s existing authority, and at worst limits the Commission’s flexibility to create these types of programs and provide utility cost recovery. The bill is unnecessary and adds nothing to the existing law.