


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/

HOUSE UTILITIES COMMITTEE

H.B. 2465

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
February 21, 2005

Chairman Holmes and members of the committee:

Thank you for this opportunity to offer testimony on H.B. 2465. The Citizens' Utility Ratepayer Board is opposed to this bill for the following reasons:

This bill makes two changes to an existing statute that remove valuable consumer protections and places arbitrary restrictions on the Commission's review authority. This bill seems to be about forcing quick answers. CURB believes it is more important to make sure we find the right answers.

This bill will amend K.S.A 2004 Supp. 66-1237 to require that the Kansas Corporation Commission issue an order in not more than 90 days when any utility files an application pursuant to the statute. CURB believes that requiring the Kansas Corporation Commission issue an order in these types of proceedings within 90 days, regardless of the facts of the case, is arbitrary and not in the best interest of the public. Separating out the appropriate transmission from retail rates is not necessarily an easy process. CURB would like to see these types of applications in conjunction with a rate case, where the utility's full cost structure is in review and rates are being reviewed. The 90 day review restriction contained in this bill would preclude this type of review in conjunction with a rate case, which has a 240 day time limit. In those instances where an application is made outside of a rate case, setting an arbitrary 90 day restriction ignores the potentially complicated nature of these cases, ignores that time constraints can be dictated by what other cases are currently before the Commission, and ignores the fact that we as regulators should be more concerned with getting the rate change right than getting it within a short period of time. CURB believes that this type of artificial time constraint is not good for the public, and if pursued, 90 days is far too short for this type of review.

The bill also makes a fundamental change to the Commission's review authority in Section (b) of the statute. Currently, any time "subsequent" to the utility filing its change in transmission rates pursuant to the statute, if the Commission "determines that all or part of the change did not result from an order described by this subsection, the Commission may require changes in the transmission delivery charge and impose appropriate remedies". This is an appropriate protection for consumers. The utility should not benefit from improper actions, and the Commission should be able to reverse any rate changes and refund any money to consumers that resulted from improper rate changes at any time.

As proposed, the bill will restrict the Commission's review to only 60 days. Again, this is an arbitrary time constraint, and reverses a valuable consumer protection. If the Commission finds on the 61st day that consumers have been wrongly overcharged should consumers be out of luck? CURB believes that consumers should always be assured that overcharges will be refunded. CURB does not support this change in the statute.

For the above reasons, CURB opposes this bill, and opposes these changes to the existing statute.