

Citizens' Utility Ratepayer Board

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Sam Brownback, Governor

David Springe, Consumer Counsel
1500 S.W. Arrowhead Road
Topeka, Kansas 66604-4027
Phone: (785) 271-3200
Fax: (785) 271-3116
<http://curb.kansas.gov>

HOUSE UTILITIES COMMITTEE H.C.R. 5012

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
March 2, 2011

Chairman Holmes and members of the committee:

Thank you for this opportunity to offer testimony on H.C.R. 5012. The Citizens' Utility Ratepayer Board is opposed to this resolution as currently drafted. The resolution generally requires the state corporation commission to convene forums and study energy development, consumption and cost containment. In terms of intent, studying energy issues is not objectionable. However, certain language in the resolution seems to require more than just study. If this resolution passes, the state corporation commission will certainly endeavor to accomplish the tasks set forth within. There is a vast difference between studying energy issues and requiring implementation. Without the language changes set forth below, CURB cannot support this resolution.

However, with the following suggested language changes, CURB is neutral on the Resolution.

- Page 1, Lines 32-33. Delete "and implement".
 - Energy storage is an interesting and worthwhile area to study or investigate. However, requiring implementation makes this resolution unacceptable.
- Page 2, Lines 1-2. Delete "without causing a degradation in the quality of life for Kansans"
 - What is or is not degradation in the quality of life for Kansans is undefined. For example, implementing conservation and efficiency may reduce the long term cost of energy for all utility ratepayers, but may cause an increase in short term utility rates. This short term increase in utility rates will lead some customers to pay higher bills, arguably degrading their quality of life. For purposes of this resolution, this language is unnecessary.
- Page 2, Lines 4. Delete "beyond state borders"
 - This language is redundant as all exports are by definition are beyond state borders.

- Comment: Page 2, Line 4-5
 - As stated, a more robust transmission system may result in “lower cost electricity to high cost service areas”. Conversely, a robust transmission system may result in higher cost electricity in service areas that are currently low cost. Your support of this language is relative to which side of the cost line you are on and may also be relative to whether you are the one paying for the cost of the robust transmission system. A robust transmission system may lower overall costs in a region, but it may not mean lower costs for every person or utility in that region.
- Page 2, Line 18-20. Delete all lines.
 - Lines 18-20 deal with smart grid and smart meter technology. These technologies are currently being deployed in Kansas to various degrees by electric utilities. CURB presumes that by definition the deployment of these technologies will increase. Therefore the language in these lines is unnecessary. If the Committee wants smart grid and smart meters included, CURB suggests a study of the full costs (and benefits) of implementing these technologies. For example, back office billing, accounting and IT costs will increase substantially to accommodate and utilize smart meter technology. These back office costs are often left out of cost/benefit calculations. There has been no study of these issues in Kansas to date.
- Page 2, Lines 21-23. Replace “Develop” with “Examine”. Delete “existing coal-fired generation units, including both”.
 - This changes the intent from developing strategies to reduce the greenhouse gas emissions of individual generation units, which is not really possible; to examining how utilities can reduce their greenhouse gas emission on a system wide basis, which is possible through the addition of renewable energy and the addition of energy efficiency and conservation measures.

If the above changes are made, then CURB welcomes the opportunity to discuss Kansas energy policy, including how different energy policy initiatives will affect Kansas consumers. However, CURB opposes this resolution without the above changes.