

Kansas House Energy, Utilities and Telecommunications Committee  
Testimony of Citizens' Utility Ratepayer Board  
Written and Oral Testimony  
Proponent of HCR 5023  
January 27, 2022

Mr. Chairman and members of the House Energy, Utilities and Telecommunications Committee, thank you for this opportunity to support House Concurrent Resolution (HCR) 5023. My name is David Nickel. I am the Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB). CURB is the advocate for residential and small commercial ratepayers before the Kansas Corporation Commission and the Kansas legislature. My testimony reflects the interests of these utility ratepayer classes regarding HCR 5023.

In HCR 5023, the Kansas legislature denounces any price gouging that occurred during Winter Storm Uri from early to mid-February 2021. HCR 5023 rightfully supports the efforts of the Kansas Attorney General and the Federal Regulatory Energy Commission (FERC) to investigate the high natural gas prices that Kansans suffered during that winter storm. These agencies have the statutory authority to engage in the proper course of action.

Investigation into possible price gouging by the Kansas Attorney General and FERC is warranted and is currently ongoing. As this Committee is aware, natural gas prices in Kansas experienced an all-time high of approximately \$622.00 per Mcf during Winter Storm Uri. That price is nearly 200 times the natural gas prices that utilities pay for natural gas during normal winter periods. Immediately after Winter Storm Uri, natural gas prices plummeted to near normal prices. It is important to note that CURB believes that no Kansas gas producers unlawfully profited from Winter Storm Uri for gas that they produced in Kansas. Nor does it appear that any of our utilities engaged in any unlawful activity concerning natural gas prices. Rather, CURB believes that any price gouging that may have occurred was at the marketing level.

It is important to note that natural gas pricing is generally a complicated process and it was made more complex by the supply disruptions caused by Winter Storm Uri. It is a daunting task to sort through these complexities in the investigations. Any relief owed to Kansas utility consumers from the work of the Kansas Attorney General and FERC may require a substantial amount of time and effort to collect and appropriately distribute.

Nonetheless, Kansas consumers are entitled to prices that comply with Kansas law, particularly those statutes that prohibit profiteering during periods of an emergency. In these regards, the Kansas Corporation Commission (KCC) has opened an investigation for each of the jurisdictional utilities with respect to their responses to Winter Storm Uri. CURB has intervened

in those dockets and is attempting to keep Winter Storm Uri costs to a minimum. To date, Kansas utilities have worked with the KCC Staff, CURB and all other stakeholders regarding these investigations. In these KCC dockets, CURB has insisted on protections to ensure that any profit disgorgement obtained from firms who engaged in profiteering during Winter Storm Uri are returned to the ratepayers who paid them, including residential and small commercial ratepayers.

To the point of HCR 5023, the office of the Kansas Attorney General has intervened in these KCC dockets. CURB has met with their attorneys and has pledged to help in any manner necessary to aid the investigation into price gouging during Winter Storm Uri. CURB commends the Kansas Attorney General for its work in these KCC dockets, as well as its work outside of them.

From the perspective of Kansas residential and small commercial ratepayers, the support of the Kansas legislature will be helpful to these investigations. Therefore, CURB thanks the Kansas legislature for its involvement in this matter. CURB wholeheartedly supports HCR 5023.