



**Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Association**
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March 19, 2019

To: House Committee on Energy, Utilities, and Telecommunication
From: Randy E. Stookey, Senior Vice President of Government Affairs
Re: **Joint, Proponent Testimony on Substitute for Senate Bill 69, requiring a study of electric utility rates**

Chairman Seiwert and members of the committee, thank you for the opportunity to provide proponent testimony on Substitute for Senate Bill 69. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Retailers Association (KARA), and Renew Kansas Association.

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association with membership of over 700 companies across Kansas. Renew Kansas Association is the trade association of the ethanol and biofuel industry in Kansas.

Recent reports have shown that Kansas has the highest electric rates in the Midwest. Paying higher energy rates than similarly situated energy users in the Midwest causes our industries to be less competitive.

Grain elevators, ethanol plants and many agribusiness facilities are high industrial users of energy. Profitability in any given year is often dependent on the costs of inputs such as energy. As our members operate continually, and are charged at peak use rates, those high costs have become unsustainable.

It is for this reason that we support a comprehensive study on the competitiveness of Kansas energy rates. Such a study should review how other states assess proposed rate increases, assess how we might better manage rate structures, and stabilize the recent unsustainable growth in Kansas energy costs.

This bill requires the Legislative Coordinating Council to authorize a study of retail rates of Kansas electric public utilities. The Senate Utilities Committee substantially amended the bill with compromise language between energy consumers and utilities. This bill may provide solutions for the Legislature to consider regarding how to lower rates in Kansas, and make Kansas rates more competitive with the region.

Kansas must act now to find solutions to this issue, or industries in our state will continue to suffer. If we are to allow Kansas industries to be competitive, we must find a way to access energy at rates that are not cost prohibitive.

Thank you for allowing us the opportunity to testify in support of Substitute for Senate Bill 69. We respectfully ask this committee to pass the bill out favorably, without amendment.