



My name is Jeff Glendening and I am Americans for Prosperity Kansas State Director. I'm here today on behalf of more than 50,000 Americans for Prosperity activists in our state.

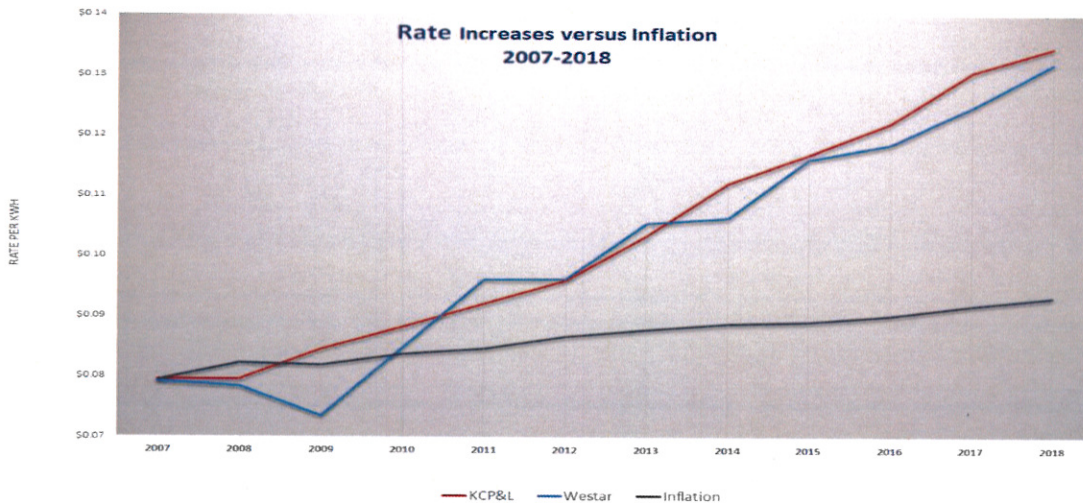
Americans for Prosperity has long fought to protect our access to affordable, reliable energy. For this reason, we share the concerns expressed in SCR 1612 and support your efforts to bring back competitive retail rates for all consumers in our state.

Energy poverty is a problem that hardly receives the attention it warrants. Households being crumpled by unaffordable energy bills rarely have their voices heard, and instead must keep facing unaffordable rates with little to no alternatives.

The State of Kansas has an energy poverty problem. Households with incomes below the 50% of the poverty line spend a staggering 29% of their annual income to pay for their home energy bills. In total, the Home Energy Affordability Gap quantifies over 151,000 households experiencing high energy burdens.¹

Given recent trends, such high numbers should not come as a surprise. Note that during the past decade, Westar's residential rates have increased 67% while KCP&L's have increased by 70%.² Those increases raise red flags by themselves, but when benchmarked to the inflation rate for the same period the sheer size of the problem becomes rather clear. (see graph. 1)

Graph 1. Rate Increases v. Inflation 2007-2018



Sources: KCC Annual Reports to the Legislature; Average residential electric bill without taxes; 2010 rate data not available; 2011 KCP&L Data removed-cannot be verified as accurate. Annual Inflation Rates: U.S. Bureau of Labor Statistics using CPI-All Urban Consumers. Available in <https://www.kansasenergyproblem.com/>

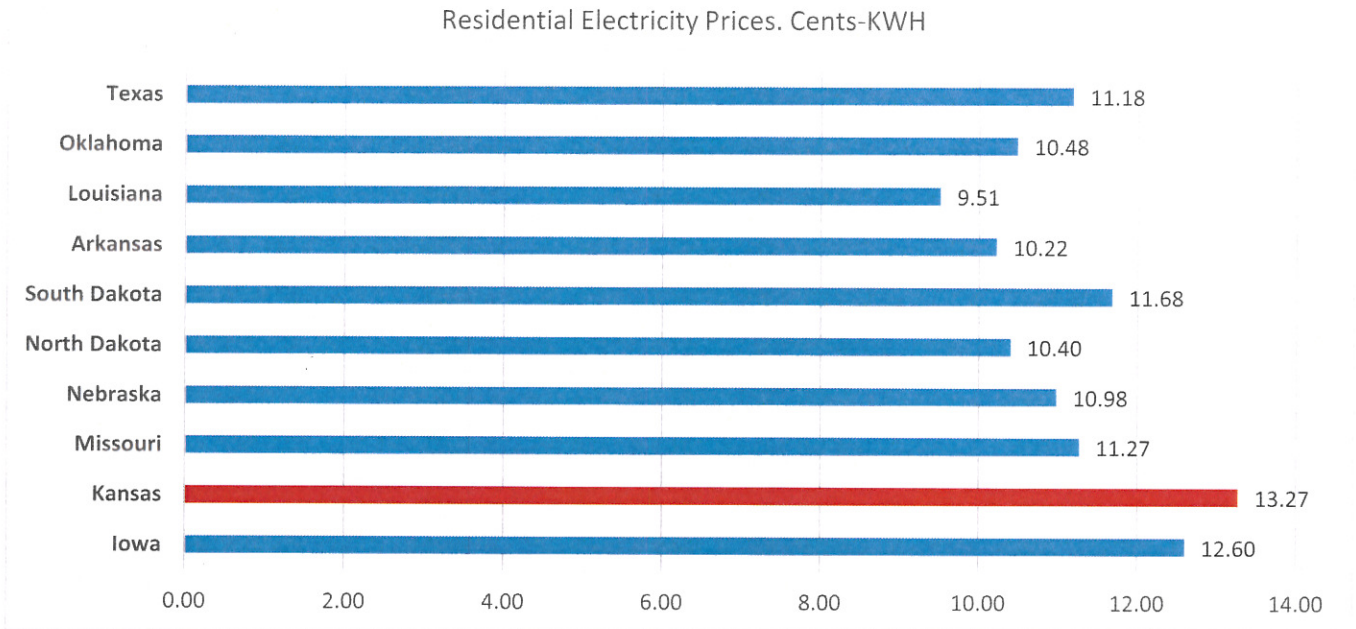
¹ Kansas: The Home Energy Affordability Gap 2016 (Second Series, Published April 2017.)

http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html

² Kansas Energy Problem. See: <https://www.kansasenergyproblem.com/overview>

Furthermore, the legislature has correctly identified one of the most worrying characteristics of Kansas' high electricity rates problem: Its competitive disadvantage when benchmarked to its regional peers. In this regard, residential rates are not only highest of the region, but higher than the national average. (see graph 2)

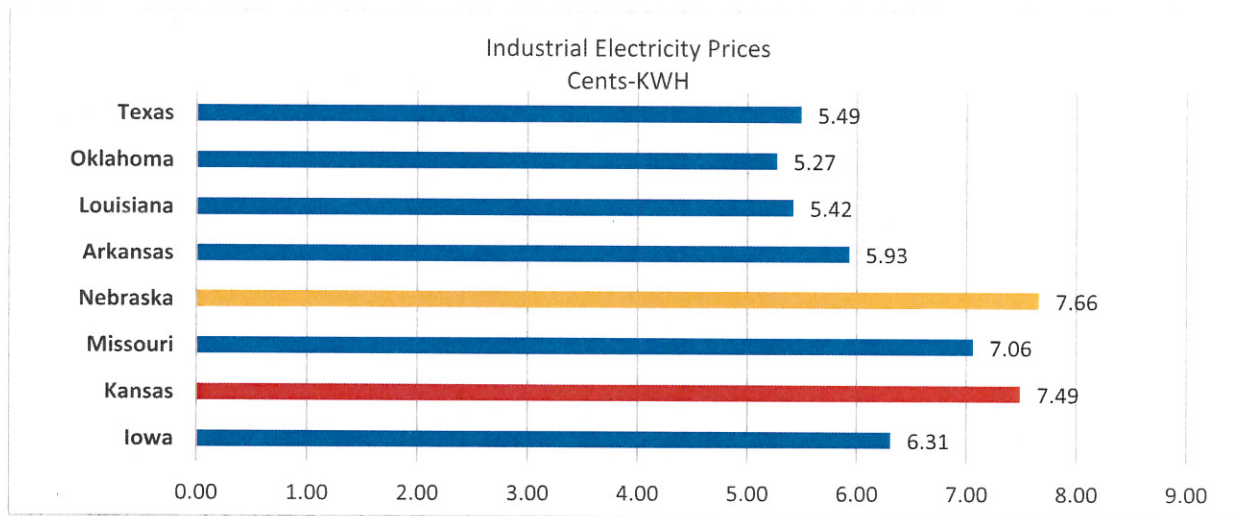
Graph 2. Electricity Prices: Residential (December 2017 YTD)



Source: U.S. EIA Electric Power Monthly, February 27, 2018. (Report (Table5.6. B)).

But the rising electricity prices are experienced by all consumers in the state, not just residential ones. Industrial consumers in Kansas also see higher rates than their regional peers, except for Nebraska. (see graph 3)

Graph 3. Electricity Prices: Industrial (December 2017 YTD)



Source: Source: U.S. EIA Electric Power Monthly, February 27, 2018. (Report (Table5.6. B)).

In this context, it is perfectly reasonable for the representatives of the people to strive to prevent that our competitiveness to keep lagging. The policy of the state of Kansas must be to have regionally competitive retail rates.

The legislature should grant the Kansas Corporation Commission all the necessary statutory authority to enhance its oversight capacity and to allow it to thoroughly exercise its mission in protecting the consumers of the states.

Americans for Prosperity supports your efforts and we look forward to working with you to help bring about the necessary changes that give our business and residents more balanced and competitive rates.

Jeff Glendening
State Director
Americas for Prosperity Kansas