

Date: March 12, 2020  
From: AARP Kansas  
TO: Senate Utilities Committee  
Ref: Written Testimony - Opposition to Senate Bill 437 – Securitized ratepayer-backed KEBRA bonds.

The Honorable Chairman Masterson and Committee Members:

AARP Kansas has more than 300,000 members across the state. Many of these members are those with low-incomes or fixed incomes. AARP supports sustainable energy policies if cost effective. But we also ask about the impact of such policies on affordability of electricity service. AARP is also fuel neutral. Therefore, we do not advocate for the pre-mature closure of power plants.

AARP has opposed similar securitization legislation in other states. Last session, we helped stop a similar bill in Missouri. In Montana, we had the bill amended to exclude transition costs. Although the bill passed, the largest utility in the state is not pursuing it.

AARP does not buy the proposition that a new long term, irrevocable surcharge on utility bills is a winner for consumers.

Our other specific objections are as follows:

We oppose use of securitization which is a new 15 to 30 year fixed surcharge using bonds guaranteed by ratepayers. We question how this is a money saver – especially given the current historically low interest rates. A new special mechanism is not needed.

We oppose saddling utility ratepayers with new cost responsibilities such as transition assistance to Kansas communities and electric generation facility workers that are directly

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