



Testimony of The Empire District Electric, KCP&L, KEPCo, KMU, Sunflower Electric Power Corp., and Westar Energy

Opposed to HB2513

Brad Loveless, Executive Director, Environmental Services, Westar Energy
Before the House Water & Environment Committee
January 30, 2018

Chairman Sloan and members of the Committee:

The electric utilities in Kansas thank you for the opportunity to provide information on the impact of House Bill 2513 and the proposed surface water protection fee. Because we absolutely depend on water for our baseload electrical generation, we appreciate the intent of HB2513 to fund and protect Kansas' water supply.

At KCP&L and Westar alone, in 2016, both companies paid water protection fees of \$.03/1000 gallons for industrial water use at La Cygne. The fees we would incur if HB2513 were to become law would nearly triple. And that is just one generating station to which I'm referring. Besides KCP&L and Westar's units, there are multiple generating units throughout Kansas that require substantial amounts of water. Increasing fees on that water usage would be borne by Kansas energy consumers.

Westar has been fortunate to have been included in deliberations of the Blue Ribbon Task Force and to participate on the Kansas Water Authority (KWA). Kansas statutes wisely require \$8 million in annual funding to the Kansas Water Office (KWO) for water initiatives, and KWA is charged with advising and overseeing expenditure of those funds. Thus, the utilities believe adequate mechanisms are already in place to accomplish what HB2513 intends. We believe the State General Fund and Economic Development Initiative Fund are appropriate shared funding sources. We are also confident that the Kansas-wide web of inputs available to inform KWO and KWA's decision making provide comprehensive data on ever-changing opportunities and needs for protecting the state's water resources.

For those reasons, and because the utilities are concerned that the legislation would set up a disproportionate cost-sharing and benefit mechanism, we respectfully request that you delay action on 2513.