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**February 15, 2018  
House Water and Environment Committee  
KEPCo Written Only Proponent Testimony of HB2640**

Mr. Chairman and members of the committee, I am Phil Wages, Director of Member Services, Government Affairs, and Business Development for Kansas Electric Power Cooperative, Inc (KEPCo).

KEPCo is a not-for-profit generation and transmission electric cooperative utility serving the wholesale energy requirements of nineteen-member not-for-profit rural electric cooperatives that serve the rural areas of the eastern two-thirds of Kansas.

KEPCo supports the opportunity that HB2640 enables. The bill will allow individuals and entities to have a voice on issues related to transmission projects and costs that impact Kansas consumers.

Over the past seven years (2010 to 2017), transmission costs have increased a substantial amount. KEPCo is a transmission-dependent utility and has seen transmission costs increase by an aggregate amount of 87% since 2010, or 9.3% annualized, resulting in a cumulative increase of \$12.4 million of additional costs. These costs are paid by KEPCo and are ultimately borne by the members of rural electric cooperatives.

It has been widely reported that electric rates in Kansas do not compare favorably to other Midwest states. This not only affects local economies, but statewide economic development as well, as was stated in a recent article published in the February 13 edition of the Topeka-Capital Journal. Establishing a professional forum to address transmission-related items that impact electric utility rates will enable an open and transparent review and discussion for Kansas consumers.

Mr. Chairman, KEPCo respectfully asks the House Water and Environment Committee to support HB2640.