



Before the Kansas Senate Committee on Utilities

March 15, 2017

**Testimony of Heartland Rural Electric Cooperative, Inc. in Opposition to Senate Bill 209**

Heartland Rural Electric Cooperative, and its original REAs, has been serving the residents of Southeast Kansas since 1937, improving the quality of life for Kansas' rural families. Heartland provides power to more than 11,000 locations in portions of 12 counties, with the majority of its members living in rural areas of Allen, Bourbon, Cherokee, Crawford, Linn and Neosho Counties.

Chairman Olson and members of the Senate Committee on Utilities:

My name is Dale Coomes and I am the CEO of Heartland Rural Electric Cooperative. Heartland Rural Electric Cooperative is opposed to SB 209. Although we are opposed this should not be interpreted that Heartland is opposed to transparency in utility billing. SB 209 would implement a one-size-fits-all billing approach for all utilities and eliminate the ability for Heartland to work with our member owners to address their needs as it is done now. One of the most important attributes of the cooperative business model is local control – the ability for members to interact with their local board of directors in developing policies and practices that work for their community.

I would first ask the question, "Why?" In the Kansas electric cooperative world there is very little push for such information. We are owned by our members. Our members elect and serve as our board of directors. If this is something our membership wants, then our membership already has an avenue to make it happen.

Contrary to the belief that we are in the business to sell electricity, we are instead in business to provide a service to our members. We are not in the business to make a profit. We are in the business to provide safe, reliable and affordable electricity. It is our duty to work with our members to decrease their energy usage through efficiencies. We want our members to be as energy efficient as possible. The more energy efficient our members become, the better it is for everyone.

We dedicate full time staff to help our members decrease their electric bill. Our staff includes a BPI Certified Energy Auditor who has been trained on both residential and commercial systems.

We do everything we can, on the phone, in our newsletter, on our website, and in person, to educate our members on efficiency. We offer rebates for efficient appliances, and reward members for shifting use off peak. Another valuable tool we provide to our members is online access to their monthly, daily, and hourly power use data. We work with our members to help them use this information to determine when and how electricity is used, and find opportunities to save.

This kind of openness and honesty with our members is part of our cooperative philosophy. Every year every person served by our cooperative receives a copy of our annual report, which includes a detailed balance sheet and income statement reporting a breakdown of revenue and expenses. We also invite all of our members to our annual meeting, where the members of our board of directors and senior management answer any and all questions our members have about our cooperative. Our 2017 Annual Meeting will be held on Tuesday, March 28 at Fort Scott Community College and I invite all of our lawmakers to attend.

We do all of this because we want our members to know that their cooperative serves them honestly, working every day to provide reliable, affordable power.

We are concerned about the significant cost for our members associated with this bill. We will incur costs to either upgrade, or in many cases replace, billing systems in order to provide the unbundling required by SB 209. In addition it will require additional staff time to maintain compliance with the new mandates.

We believe the best approach is for our members to determine amongst themselves through our board of directors what details should be shared on the bill, not the legislature and definitely not out of state interests.

Thank you for allowing me to express my thoughts on SB 209. I respectfully request that you reject this bill with the understanding that this bill does not represent the will of our members, or in my belief the majority of Kansas ratepayers.