

**Written-only Testimony of Kansas Industrial Consumers Group**  
**Neutral on SB198**  
**Before the Senate Utilities Committee**  
**March 12, 2019**

The Kansas Industrial Consumers Group (KIC) is a coalition of large-volume energy users in Kansas. The members collectively represent billions of dollars of investment in the state and employ thousands of Kansans. We believe high energy costs are negatively impacting residential consumers, schools, hospitals, and large and small businesses.

We applaud the committee for reviewing issues that may help the State move toward regionally competitive electric rates. SB 198 may be a tool that can assist Kansas investor-owned utilities in providing rate relief.

KIC does not currently have a position on SB 198 and securitization in general. We understand the financing tool has offered customer savings in other states and believe that may be possible in Kansas. However, more detailed analysis is needed to know what the impact and potential savings may be on Kansas utilities. We are nonetheless encouraged about discussion such as this. Kansas policymakers should consider any options, including innovative and nontraditional methods, that have the potential to reduce utility rates.

In addition to this hearing, a question on securitization was included in the compromise language for SB 69. That language is:

*(whether) securitized ratepayer-backed bonds could benefit utilities and ratepayers by reducing investment risk, facilitating the recovery of certain stranded costs from underutilized or otherwise obsolete generating and other facilities and lowering retail electric rates, and assisting in the transition to new technologies, including a review of whether securitized bonds could be effectively utilized by Kansas utilities;*

We look forward to continuing the discussion next session.

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