



February 9, 2021

Mr. Chairman and Members and the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our nearly 1,500 members, thank you for the opportunity to provide testimony in support of H.B. 2181; AN ACT concerning the state corporation commission; relating to electric public utilities; regional electric rates; report to the legislature; amending K.S.A. 66-117b and repealing the existing section.

HB 2181 would require the Kansas Corporation Commission (KCC) to report to the legislature on or before February 1 of each year on the average residential, commercial, and industrial electric rates charged by electric public utilities in Kansas in comparison to those average rates in at least nine states in the region, including states contiguous to Kansas.

The Chamber supports this legislation because it is one of the necessary steps in ensuring that Kansas companies, both large and small, benefit from a competitive rate structure for electrical power. A competitive rate structure is needed for Kansas to compete for coveted jobs and capital investment now and in the future.

The south-central region of our state is home to some of the world's premier advanced manufacturers. These manufacturers provided thousands upon thousands of high paying jobs with benefits unmatched by most other industries. These manufacturers have helped to create a middle class in Kansas envied by other states. These manufacturers are responsible for literally billions of dollars in State General Fund receipts. They're also the largest consumers of electricity in Kansas.

It is important to understand that while many of the state's largest employers and consumers of electricity are either headquartered or have significant footprints in the Sunflower State, they also have operations in other states and countries throughout the world. Intra-corporation competitive bidding processes have become the norm in today's global economy. Simply put, multi-location companies like Spirit Aero Systems, Textron, or Occidental Chemical send projects and work to sites throughout their network of facilities that will produce the most return on investment. Many factors are considered in these calculations. Available talent, access to materials, taxes and regulatory environment, and transportation considerations all figure into the decision making and profit formulas. So too does the cost of electricity. Therefore, Kansas electrical rates must be as competitive as possible.

Decisions and management practices by leaders of public utilities obviously play a large part in determining electricity rates. However, decisions by policymakers, such as yourselves, also impact the cost of electricity. With these considerations in mind, the policy requirements contained in H.B. 2181 seem to provide a commonsense mechanism for policymakers to review



public policy as it relates to electricity and the practices and decisions by public utility companies that ultimately determine the total cost of electricity for Kansas companies and consumer ratepayers.

Therefore, we respectfully request that the committee report H.B. 2181 favorable for passage.

Thank you, and I am happy to stand for questions at the appropriate time.

Jason P. Watkins  
Wichita Regional Chamber of Commerce