

Kansas House Energy, Utilities and Telecommunications Committee  
Testimony of Citizens' Utility Ratepayer Board  
Neutral Testimony to SB 24  
(Written Only)  
March 16, 2021

Mr. Chairman and members of the House Energy, Utilities and Telecommunications Committee, my name is David W. Nickel. I am Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB). I am furnishing neutral testimony to Senate Bill (SB) 24. CURB testified neutrally on SB 24 when the Senate Utilities Committee heard it earlier this session.

The Senate Utility Committee made amendments to SB 24 to alter the scope of the bill. As amended, SB 24 prohibits municipalities from restraining the choice of retail customers living within their jurisdiction to use the retail provision of natural gas for their end uses, provided the retail customer is not the municipality itself. CURB believes these amendments were reasonable and appropriate.

With respect to the reach of SB 24, it is important to note that CURB does not have authority to represent utility consumers before municipalities that are not subject to the jurisdiction of the Kansas Corporation Commission ("KCC"). Moreover, SB 24 contemplates the establishment of policy, a task which CURB believes lies solely with the Kansas legislature. Further, several parties outlined the pertinent policy issues involved in SB 24 and the Senate Utilities Committee duly considered them. CURB will not belabor those policy arguments here.

Because this matter involves legislative policy, CURB believes it best to be neutral on SB 24. Matters of customer choice and local control regarding the environmental and other effects arising out of the use of natural gas versus electricity (which may be generated in part by coal-power plants) in heating homes, businesses and other uses such as cooking and heating water are important policy considerations. Moreover, policies that restrain consumers from using natural gas to heat their homes may have some impact upon the production of natural gas in Kansas, affecting a vital part of the Kansas economy. CURB believes that other stakeholders can and will provide information to the House Energy, Utilities and Telecommunications Committee on these aspects of SB 24, and these arguments deserve due consideration.

However, the primary goal for CURB is to protect residential and small commercial ratepayers from high utility rates. In these regards, CURB is most mindful of low-income and fixed-income utility ratepayers and the energy burden that these Kansans suffer. There is sizeable evidence, which suggests that generally heating a home with electricity can cost the consumer more than heating a home with natural gas. The cost of supplying heat to a home substantially affects the ability of some low-income consumers to keep warm and safe, as well as to meet other essential needs such as medicine and food. CURB believes that legislation that can severely and affect negatively the ability of low-income Kansans to pay their utility bills must be carefully evaluated among all other considerations.

CURB notes that the KCC has established policies on fuel switching, that is the consumer switching from gas utilities to electric utilities and *vice-versa*. The Commission stated in Docket No. 09-GIMX-160-GIV, "As a matter of public policy, the Commission concludes that it is inappropriate to implement rate structures designed to protect firms from competition." CURB believes that the Commission based this determination on the premise that competition leads to competitive costs. This aspect of regulatory policy is important to many Kansas ratepayers. The extent to which SB 24 restrains competition among gas and electric utilities should be taken into account by the legislature as one important factor in evaluating the bill.

Thank you for the opportunity to present CURB's perspective on this important bill. CURB would be happy to assist the Kansas legislature in any way to help it in its deliberation.