

**SENATE UTILITIES COMMITTEE  
MARCH 2, 2005  
TESTIMONY BY PAUL JOHNSON  
HOUSE BILL 2084**

Thank you for this opportunity to appear before the Senate Utilities Committee in support of House Bill 2084. My name is Paul Johnson and I am testifying for the Kansas Catholic Conference and the Public Assistance Coalition of Kansas.

House Bill 2084 is a first step in encouraging conservation and energy efficiency programs for certain residential and commercial customers. There are safeguards in place given the prior approval by the Kansas Corporation Commission and that customers must have an energy audit plus be current with their utility payments.

HB 2084 should be the start to the broader discussion of the higher utility costs faced by thousands of Kansas households and the impact that is having on the total cost of housing. According to the 2000 United States Census, Kansas has 1,043,808 households with 320,623 (32%) being renters and 723,185 (68%) being homeowners. Households that spend over 30% of their income for housing (includes utilities) are considered 'cost burdened'. 128,783 households that rent (40% of total renters) pay over 30% while 17% of the 723,185 homeowners are cost burdened. This data was collected in 1999 when natural gas prices were much lower than they are today so the number of cost burdened households must be higher. One half of Kansas' homes were built prior to 1960. The KCC has opened a docket to investigate low-income electric and natural gas rates that may be tied to energy conservation programs.

I have monitored the energy assistance and weatherization debate in Kansas for twenty years. The formula has not changed. Federal energy utility assistance is 3 to 4 times greater than our federal weatherization program. There are no state dollars involved as you have heard from other participants. This winter the Low Income Home Energy Assistance Program (LIHEAP) will assist around 65,000 households with a payment of \$200. (There are roughly 150,000 households eligible. In 2003 the payment was \$359 with 38,346 households served.) The weatherization program on the other hand serves just 1400 homes a year with a total budget of \$4.797 million. For non-metro areas served by the Kansas Housing Resources Corporation, \$400,000 is allocated for emergency repairs before weatherization begins and \$2 million for homeowner rehabilitation. One of the greatest policy challenges is the dilemma of many renters having to pay the utility bills but not having control over the efficiency of the furnace or insulation in the house.

The cold weather portion of this legislation was removed on the House floor and that was the right amendment. I hope that the Senate Utilities Committee will

hold special informational hearings on the Cold Weather Rule next session. Let's document how many households were shut-off from electric or natural gas service this summer or fall? How many of these households are rentals versus owner-occupied? How many of these units have been disconnected from service more than once in the last five years? Can we track shut-offs by zip code? Since we track utility accounts by person and not place, are we watching different families being disconnected when they move into that same dwelling? Can we discern what is renter misuse of energy versus landlord indifference when the tenant pays the utility bills? Are dwellings that use 2-3 times the normal energy amount singled out by the utilities billing department for special attention? When natural gas service is reconnected, can the efficiency of the furnace be checked as well as the safety? Do the municipal utilities in Kansas have different strategies for handling utility shut-offs and energy conservation opportunities? What would be the economic impact if say 20% of the wasted natural gas cost was cycled through local economies via insulation and home furnace purchases?

With the work being done by CURB and the staff at the KCC on these issues surrounding 'lifeline' rates and related conservation programs over the summer, a hearing next session could set the table for more creative proposals. If legislation passes allowing KDFA to finance energy projects, could that be a source of funds for these residential/commercial conservation investments? Could the State Housing Trust Fund be a source for more targeted repair loans? Could the non-profits such as Salvation Army and Catholic Charities direct a portion of their utility assistance funds towards longer-term energy repairs? This is a public debate that is truly needed in Kansas.

Thank you for this opportunity to present these concerns, questions and ideas.