

**SENATE UTILITY COMMITTEE**  
**February 13, 2023**

**RE: SB 88 - AN ACT concerning public utilities; relating to the regulation and oversight of public utilities; providing for the statewide election of the commissioners of the state corporation commission; requiring the office of the attorney general to represent and protect the collective interests of utility customers in utility rate-related proceedings before the state corporation commission and in any other judicial or administrative proceeding; exempting the state corporation commission from the open meetings act.**

Testimony of Kevin Gregg on behalf of the  
Eastern Kansas Oil and Gas Association

**The Eastern Kansas Oil and Gas Association (EKOGA) strongly opposes SB 88.**

Our association represents and supports eastern Kansas oil and gas producers, gas gatherers, service companies, royalty owners and associated businesses along with the overall welfare of the Kansas oil and gas industry in this state.

SB 88 will restructure the Kansas Corporation Commission (KCC) in response to high electric rates. As an industry that operates in the state and as citizens of the state, we are very concerned about high electricity rates. Electricity costs add up to approximately 40% of our operating cost and affect our bottom line greatly. These high costs are taking their toll on not only the oil and gas industry, but every industry in the state let alone the citizens of the state. Therefore, we believe there needs to be a concerted effort to bring down electric rates across the state from the major utilities to the smaller electric COOPs.

EKOGA would be happy to be included in this effort and would look forward to working with other organizations in the state to come up with solutions to not only lower the cost for all industries, but for all citizens. Our high electric rates have discouraged other industries from locating to our state for years. They have opted to locate to other states with lower electric utility rates, which has cost our state untold jobs and taxes.

It is important to remember that the KCC regulates not only utility rates, but also motor carrier transportation, pipeline safety, telecommunications, and oil and gas exploration & production. Our industry (oil and gas industry) alone generated nearly \$3.6 billion in output in 2022, supporting over 100,000 jobs and \$3 billion in family income. The Kansas oil and gas industry is consistently one of the top industries in Kansas in terms of gross state product.

The current system of the Governor appointing commissioners between political parties and then confirmed by the Senate seems to work, whether the Governor is a Republican or Democrat. Changing to elected commissioners could change that process to who has the most campaign money (from within or outside the state) and

turn the process into highly charged political races. By changing the Commissioners to elected officials you also may change the qualification for the job from experience and expertise to fundraising and campaigning. No system is perfect but the status quo appointment process has worked relatively well for many years.

Therefore, Mr. Chairman and members of this Committee, **EKOGA WOULD STRONGLY URGE YOU TO VOTE AGAINST SB 88** and let the current system of appointing KCC Commissioners stand.

Thank you for your time.

Kevin Gregg