KANSAS GAS SERVICE
A DIVISION OF ONEOK

HOUSE BILL NO. 2084

Testimony of Steve Johnson
501 SW Gage Blvd., Topeka, Kansas 66606
On Behalf of Kansas Gas Service
Before the Senate Utilities Committee
March 2, 2005

My name is Steve Johnson. I am the Manager of Government Affairs for Kansas Gas Service. I appear as an opponent of H.B. 2084.

H.B. 2084 would seem to duplicate incentives that are already available under K.S.A. 66-117 (e). Depending on how the language in H.B. 2084 is interpreted, the bill might provide a higher return than is available under existing law for initiating conservation investments. However, the bill does not indicate whether the expenses would be recovered in a rate case or as part of an automatic adjustment mechanism or surcharge. Rate cases usually involve many issues, and it would be difficult to determine whether the incentive rates in the bill would be achieved, if the only basis for recovery were a rate case. Because the term "investment" is somewhat vague, it is also uncertain what 110% of the investment would turn out to be.

H.B. 2084 also seems to be superfluous because it only applies to commercial customers for conservation measures employed on their behalf. This type of incentive has been available for several years under previous legislation and has not been invoked in any rate case or filing before the commission.

Finally, H.B. 2084 does not provide a rationale for the different recovery rates that are included in the bill. This could make the bill vulnerable to legal attack by not treating all customer groups equally, unless a plausible explanation is provided for this disparate treatment.

Thank you for the opportunity to provide this testimony and I'll be available for questions at the appropriate time.