Testimony on HB 2927 before the Senate Utilities Committee By Mark Schreiber, Manager Government Affairs Westar Energy March 7, 2006

Chairman Emler and members of the committees, I am Mark Schreiber, manager government affairs for Westar Energy. Westar Energy supports House Bill 2927 along with Midwest Energy, Kansas City Power and Light, Kansas Gas Service and Aquila.

House Bill 2927 provides for a defined starting point for the collection of municipal franchise fees by the electric or gas utility for an annexed area. Currently, cities are not required to notify utilities of the annexation of property. It is not uncommon for cities to notify a utility several months after an annexation and request payment for franchise fees from the annexed residents beginning at the time of annexation. Often it is too costly to re-bill the annexed residents, which means the utilities end up paying the additional franchise fees.

Westar Energy and the aforementioned utilities support this bill because it provides certainty of notification of annexed property and when franchise fees in an annexed area are to be collected. Thank you for the opportunity to present this testimony. I will be glad to answer questions at the appropriate time.