



WRITTEN ONLY/SUBMITTED REMARKS

TO: Chairman Carl Holmes and Members of the House Energy & Utilities Committee
FROM: Whitney Damron, on behalf of The Empire District Electric Company
RE: HB 2455 – An Act concerning utilities; creating the electricity highway fee
DATE: January 24, 2012

Chairman Holmes and Members of the Committee:

On behalf of The Empire District Electric Company, we respectfully submit these comments in opposition to HB 2455 that would mandate retail electricity providers assess through their billing statements and remit a tax on entities receiving service that have an electric recharge location.

While we understand the rationale behind the bill – that those driving electric vehicles should pay a proportionate share for road, highway and bridge infrastructure as do those utilizing traditional motor fuels, we do not believe the LDC's are the appropriate point of assessment and collection.

We are not sure there is critical mass for this kind of legislation at this time and given the acceptance – or lack thereof for electric vehicles, this may very well become a conscience or subconscious barrier to further sales of electric vehicles in Kansas.

The U.S. Department of Transportation has begun to consider such matters as well as the potential impact on ever-increasing Corporate Average Fuel Economy (CAFÉ) Standards, which will force a dramatic increase in fuel economy in the coming years, which if met will significantly reduce revenues into the Federal Highway Fund as well as state highway funds throughout the country. In response, there has been some consideration of moving to a miles driven fee vs. per gallon fees. However, any substantive change is years away.

The theory behind motor fuels fees are user fees – users pay the fee. HB 2455 would have no impact on out-of-state drivers with electric vehicles (although most do not have the range for interstate driving).

First and foremost, Empire does not desire to be placed in the position of having to assess, collect and remit such fees. We will leave the policy decisions on the wisdom of the bill absent such a mandate to the Committee and the Legislature.

Thank you for your consideration of our concerns with HB 2455.

Whitney Damron

Empire District, based in Joplin, Missouri is a Kansas corporation providing electricity, natural gas (through its wholly-owned subsidiary, The Empire District Gas Company) and water service to approximately 215,000 customers in Missouri, Kansas, Oklahoma and Arkansas. NYSE: EDE