

News from Senator

# BOB DOLE



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## DOLE TELLS KCC HE OPPOSES SUNFLOWER RATE HIKE REQUEST

WASHINGTON -- Sen. Bob Dole this week wrote the Kansas Corporation Commission (KCC) expressing his opposition to the requested rate increase by the Sunflower Rural Electric Cooperative.

In his letter to Mike Lennin, chairman of the KCC, Dole voiced his reservations concerning a rate increase for Sunflower customers.

"As you are undoubtedly aware, our customers in the Sunflower system are currently paying rates which rank among the highest in the country for electric service. With this in mind, I felt compelled to assist the utility in its process of overcoming severe financial stress - but to do so in a way that would not require, in the foreseeable future, any rate increases for the more than 44,000 Sunflower consumers," Dole said.

"The proposed agreement between Sunflower and its primary lenders to restructure the utility's debt presents, I believe an opportunity to relieve that financial stress and restore stability to the troubled cooperative.

"However, I do want to express grave reservations about one element of the proposed agreement: the request for a \$5 million rate increase. I know that under the Commission's close scrutiny you will be able to determine whether Sunflower is operating as efficiently as possible, and I ask that you pay special attention to the utility's cost-cutting efforts when considering this request for an increase.

"With the National Rural Utilities Cooperative Finance Corporation (CFC) able to take over Sunflower's debt at a discount with lower interest rates on the restructured loans, a solution appears to be at hand which could address both the short and long term problems the utility faces," Dole added.

"Mr. Chairman, you and I are both aware of the tough economic times the rural areas of our state are experiencing. My constituents in the Sunflower service area have told me loud and clear that increased costs for electric service would have a disastrous effect on their ability to see these tough times through. That is why I cannot support a rate increase for Sunflower, no matter how modest it might be, and would hope that an alternative can be found to make this plan work," Dole wrote.

Dole went on to note that a rate increase could cut consumer consumption, which would result in lower revenues for Sunflower, and defeat the purpose of a rate hike.