

SESSION OF 2007

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2278**

As Amended by Senate Committee on
Utilities

Brief*

Sub. for HB 2278 would authorize electric and natural gas utilities to enter into agreements with customers and landlords of customers whereby the utility would finance the purchase price and installation of energy conservation measures. Customers would pay for the financing and other costs of the energy conservation measures through their monthly utility bills. The amount included in utility bills for that purpose would be approved by the Kansas Corporation Commission (KCC).

Under the bill, a utility's liability regarding the energy conservation measure would be limited to that required by the KCC, the approved tariff or otherwise.

The bill would not limit any rights or remedies of utility customers and landlords of utility customers against other parties to a transaction involving the purchase and installation of energy conservation measures.

Background

The bill was introduced by the House Committee on Energy and Utilities. In its recommendations to the 2007 Legislature, the Kansas Energy Council encouraged utility implementation of the type of program that would be authorized by the bill.

A representative of Midwest Energy presented testimony in support of the introduced version of the bill at the House

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Committee hearing. The Attorney General and a representative of the Citizens' Utility Ratepayer Board presented testimony in opposition to the introduced version of the bill. The original bill would have amended the Consumer Protection Act to exempt utilities from the Act under certain circumstances. The bill was referred to a subcommittee of the House Committee which recommended the substitute bill.

At the hearing on the bill, a representative of Midwest Energy appeared as a proponent. A representative of the Citizens' Utility Ratepayer Board appeared as an opponent with amendments.

The Senate Committee on Utilities amended the bill to:

- Clarify that agreements could be entered into with landlords of customers as well as with general customers of the utilities;
- Provide that liability for the utility for the energy conservation measures would not be assumed except through the approved tariff or otherwise as well as by the State Corporation Commission directly;
- Eliminate language which would have exempted utilities from any liability for measures which do not meet energy conservation efficiencies;
- Add language which clarifies that nothing in the bill would limit rights or remedies of the utility customers or landlords of utility customers against other parties to a transaction involving the purchase and installation of energy conservation measures; and
- Make technical changes.

The fiscal note on the introduced version of the bill stated that the Division of the Budget could not estimate potential fiscal impact attributable to enactment of the bill. The original fiscal note would not be applicable to the substitute bill.