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Laura Kelly, Governor

February 7, 2025

The Honorable Leo Delperdang, Chairperson House Committee on Energy, Utilities and Telecommunications 300 SW 10th Avenue, Room 582-N Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2041 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2041 is respectfully submitted to your committee.

HB 2041 would authorize the Kansas Corporation Commission to issue a permit for any electric transmission line with costs recovered through a regional transmission organization only after a competitive bid process among qualified bidders with evidence that the process was open and fair, and whether the lowest reasonable bid was selected.

The Kansas Corporation Commission indicates enactment of the bill would increase expenditures by \$1.0 million from agency fee funds for FY 2026 and FY 2027. The Commission estimates two bidding projects would be required per fiscal year at a cost of \$500,000 per project. The estimates were determined by reviewing the Southwest Power Pool process and using historical information for contracting costs for utility related consultants. Long term fiscal considerations would depend on the number of permit applications submitted and work-load consideration. Any fiscal effect associated with HB 2032 is not reflected in *The FY 2026 Governor's Budget Report*.

Kansas Association of Counties indicates that the enactment of HB 2041 would not have a fiscal effect on county operations.

Sincerely,

Adam C. Proffitt
Director of the Budget

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cc: Lynn Retz, Kansas Corporation Commission Jay Hall, Kansas Association of Counties