

January 21, 2026

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 2435 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2435 is respectfully submitted to your committee.

HB 2435 would create the Natural Gas Infrastructure Availability Act. The bill outlines mechanisms a natural gas public utility would be allowed to use to establish rates to recover costs associated with new infrastructure investments. The bill would require natural gas public utilities to follow certain guidelines when establishing such rates, including guidelines regarding amortization periods, depreciation expenses, and carrying costs. The bill would require a natural gas public utility to follow a certain process when petitioning for such rates, including holding hearings, and would set limitations and requirements for how the rates are approved and displayed on customer bills. The Act would take effect upon its publication in the statute book.

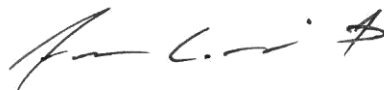
Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	10,000	10,000
Federal Fund	--	--	--
Total Expenditures	--	\$10,000	\$10,000
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	10,000	10,000
Federal Fund	--	--	--
Total Revenues	--	\$10,000	\$10,000
FTE Positions	--	--	--

The Citizens' Utility Ratepayer Board (CURB) indicates that enactment of the bill would increase annual expenditures beginning in FY 2027 by \$10,000 to retain outside subject matter experts ("SMEs") to provide technical assistance to review filings outside of general rate cases. CURB anticipates up to an additional \$10,000 in SME expenditures based on hourly rates for services and estimated workload. CURB notes that it does not utilize the State General Fund for its operations. Instead, CURB is funded through quarterly assessments made to jurisdictional utilities for the work performed by the agency. In turn, the utilities recover those expenses from ratepayers through utility bills. If CURB does incur additional expenses for work on new types of cases, those costs would be assessed to the utility and recovered from the pertinent utility customers.

The Kansas Corporation Commission indicates enactment of the bill would not have a fiscal effect on its operations. Any fiscal effect associated with HB 2435 is not reflected in *The FY 2027 Governor's Budget Report*.

The League of Kansas Municipalities indicates that enactment of the bill may have a fiscal effect on cities who own and operate natural gas utilities. The Kansas Association of Counties indicates that the enactment of the bill would not have a fiscal effect on operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Lynn Retz, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities