

April 11, 2011

The Honorable Carl Holmes, Chairperson
House Committee on Energy and Utilities
Statehouse, Room 174-W
Topeka, Kansas 66612

Dear Representative Carl Holmes:

SUBJECT: Fiscal Note for HB 2303 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2303 is respectfully submitted to your committee.

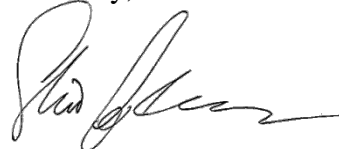
HB 2303 would amend current regulations regarding rates for electricity and variable time-of-day pricing. The bill would require any investor-owned utility (IOU) that had deployed smart meters to a majority of its residential customers within the boundaries of a corporate city on or before July 1, 2012, to file a tariff with the Kansas Corporation Commission (KCC) to be used within that city to determine variable time-of-day pricing of electricity used and cost-based customer charges. The IOU would begin billing such customers on January 1, 2013. The tariff would describe the methodology used to determine the market price of energy and the manner in which customers using variable time-of-day pricing would be provided access to hourly market prices.

The bill would require the KCC to create a cost-based customer charge classification system that would divide residential electric consumers into categories and determine the average fixed costs for providing electric service for customers within each classification. The KCC would also adopt rules and regulations to establish a system for determining the hour-to-hour rates for variable time-of-day pricing.

HB 2303 would also amend current law regarding parallel generation and net metering to apply the provisions of the act to customers who would be within the tariff and were engaged in parallel generation or net metering.

Passage of the bill would not have a fiscal effect on the Kansas Corporation Commission.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Tom Day, KCC
Shonda Smith, CURB