

March 12, 2012

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 2642 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2642 is respectfully submitted to your committee.

HB 2642 would describe certain changes for operators who intend to drill a well on which a hydraulic fracturing treatment is performed. The operator would be required to certify to the Kansas Corporation Commission (KCC) that it would be intent to meet the following conditions, to the extent that it is commercially and economically viable:

1. Use chemicals, piping and concrete that is manufactured or supplied by a Kansas company;
2. Offer a hiring preference to Kansas residents; and,
3. Use Kansas sand in the fracturing treatment.

The KCC would maintain a list of Kansas suppliers and manufacturers as a reference for well operators.

Passage of the bill would have no fiscal effect for the Kansas Corporation Commission.

Sincerely,



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

cc: Tom Day, KCC