

January 25, 2018

The Honorable Joe Seiwert, Chairperson
House Committee on Energy, Utilities and Telecommunications
Statehouse, Room 481-W
Topeka, Kansas 66612

Dear Representative Seiwert:

SUBJECT: Fiscal Note for HB 2518 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2518 is respectfully submitted to your committee.

Current law authorizes any municipal energy agency to operate as a public utility without obtaining a certificate from the Kansas Corporation Commission (KCC). HB 2518 would specify that a municipal energy agency is exempt from the jurisdiction, regulation, supervision and control of the KCC; however, the KCC would continue to have authority over municipal energy agencies with regard to regulation of charges, fees, and tariffs for transmission services; certain sales of power for resale; wire stringing; and transmission line siting.

The KCC indicates that enactment of HB 2518 would have no fiscal effect. According to the League of Kansas Municipalities, enactment of HB 2518 would significantly increase regulatory costs for cities that are members of municipal energy agencies. The estimated initial fiscal effect of this bill on these cities would be an overall reduction of at least \$700,000 in expenditures, with reduced costs of approximately \$400,000 each year following.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jake Fisher, KCC
Chardae Caine, League of Municipalities