

January 30, 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 2536 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2536 is respectfully submitted to your committee.

HB 2536 would amend existing law concerning the procedures to be followed when a city annexes land that is located within the certified territory of a retail electric supplier. The bill would require the city to notify the supplier no less than 30 days prior to making a selection as to which supplier would receive a franchise to operate within the annexed area and would include additional factors that must be considered when making the selection. The means by which the supplier may request a review of the city's selection is provided, as are the requirements for how the Kansas Corporation Commission must conduct a review hearing and issue an order approving or denying the selection, as well as how the city or the supplier may respond to such an order. The bill would add to current options for providing fair and reasonable compensation to a retail electric supplier whose service rights are terminated an amount equal to 15.0 percent of the gross revenues of total retail sales attributable to new customers in the territory for a period of ten years following the date of termination. If compensation is disputed, either party could apply to the district court having jurisdiction of the area where any portion of the facilities are located.

According to the Kansas Corporation Commission, enactment of HB 2536 would have no fiscal effect on the agency. The League of Kansas Municipalities reports that enactment of the bill would have no fiscal effect on Kansas cities.

Sincerely,



Shawn Sullivan,
Director of the Budget

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