

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 8, 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 2601 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2601 is respectfully submitted to your committee.

HB 2601 would require the Kansas Corporation Commission to provide a report to the Legislature prior to December 1, 2018, recommending statutory changes, executive actions, or changes in Commission rules and regulations that would lower electric rates to a level that would make Kansas electric rates competitive with the electric rates in other states in the region, including Missouri, Nebraska, Oklahoma, Colorado, Arkansas, Iowa, or other states the Commission deems appropriate. Current law requires the Commission to report to the Legislature on or before February 1 of each year any changes approved by the Commission to rates, joint rates, tolls, charges or classifications, schedules of charges, or any rule or regulation concerning the service or rates of a public utility or common carrier approved during the previous fiscal year. HB 2601 would add the requirement to provide an assessment of the regional competitiveness of electric and gas rates which would compare the rates in Kansas with those of other states in the region. This report should be made available by publishing the report on the internet and providing the Legislature with the website address where the report can be found.

The bill would also amend existing law concerning rate changes by common carriers or public utilities over which the Commission has control to prohibit the Commission from approving more than one rate, joint rate, toll, charge or classification, or schedule of charges increase in any calendar year for electric public utilities and natural gas public utilities. An exception would be made for Commission-approved purchased gas or energy cost adjustments.

The Honorable Joe Seiwert, Chairperson

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Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$68,358
FTE Pos.	--	--	--	1.00

According to the Kansas Corporation Commission, enactment of HB 2601 would require the agency to monitor all ratemaking activities in the region, which would necessitate the hiring of 1.00 FTE analyst at an estimated annual cost of \$68,358. This amount includes \$64,000 for salaries and wages and \$4,358 for contractual services. The funding source for this position would be assessments to public utilities regulated by the Commission. Any fiscal effect associated with HB 2601 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Chief Budget Officer

cc: Jake Fisher, KCC