

February 20, 2017

The Honorable Robert Olson, Chairperson
Senate Committee on Utilities
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 182 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 182 is respectfully submitted to your committee.

According to SB 182, the State of Kansas has experienced the fourth largest increase in electric rates in the country from 2008 through 2014 and has gone from the thirteenth to the thirty-fourth lowest cost provider of electricity in the country. The bill would require the Kansas Corporation Commission (KCC) to open a docket to perform a detailed study on a number of ratemaking issues, including how the Commission sets rates, what utility costs should be included in setting rates, and how rates are designed. The bill would also require a detailed study of a number of policy issues, including Commissioner and Commissioner staff employment after leaving the Commission, travel expenses, payment of late fees, eligibility for current and future Commissioners, and policies relating to the Citizens' Utility Ratepayer Board. The bill would require the KCC to issue a final order with all findings no later than January 1, 2018.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$300,000- \$500,000	--	--
FTE Pos.	--	--	--	--

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Page 2—SB 182

According to the KCC, unless SB 182 would be enacted prior to July 1, 2017, the agency would have only six months to complete this study. The agency states that with the number of issues to report on and the limited length of time to issue an order, it would need to rely on outside consultants to complete the analyses on time and estimates that the cost of the consultants would be \$300,000 to \$500,000 from the agency fee funds. Any fiscal effect associated with SB182 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Amy Green, KCC