

KANSAS CORPORATION COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

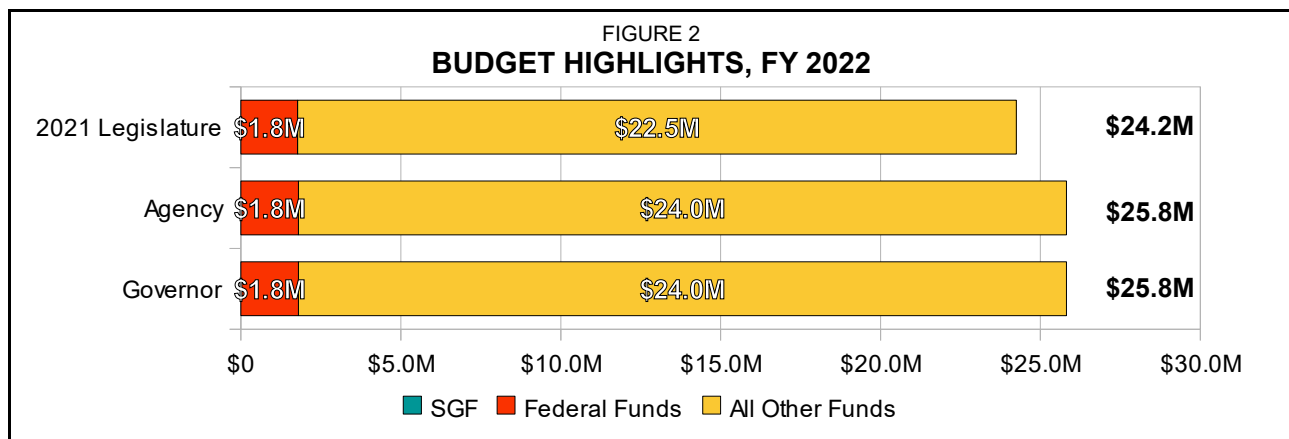
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,462,637	1,798,425	1,798,425	1,903,275	1,903,275
All Other Funds	19,640,312	24,016,681	24,016,681	24,872,509	24,872,509
<i>Subtotal</i>	<i>\$ 21,102,949</i>	<i>\$ 25,815,106</i>	<i>\$ 25,815,106</i>	<i>\$ 26,775,784</i>	<i>\$ 26,775,784</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	1.9 %	22.3 %	22.3 %	3.7 %	3.7 %
FTE Positions	162.8	204.8	204.8	205.3	205.3

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Corporation Commission (KCC) is responsible for regulating and overseeing the safety of public utilities, common carriers, motor carriers, and oil and gas producers. Further, the agency is involved in developing the state's energy policy and administers conservation projects that promote the efficient use of energy.

EXECUTIVE SUMMARY

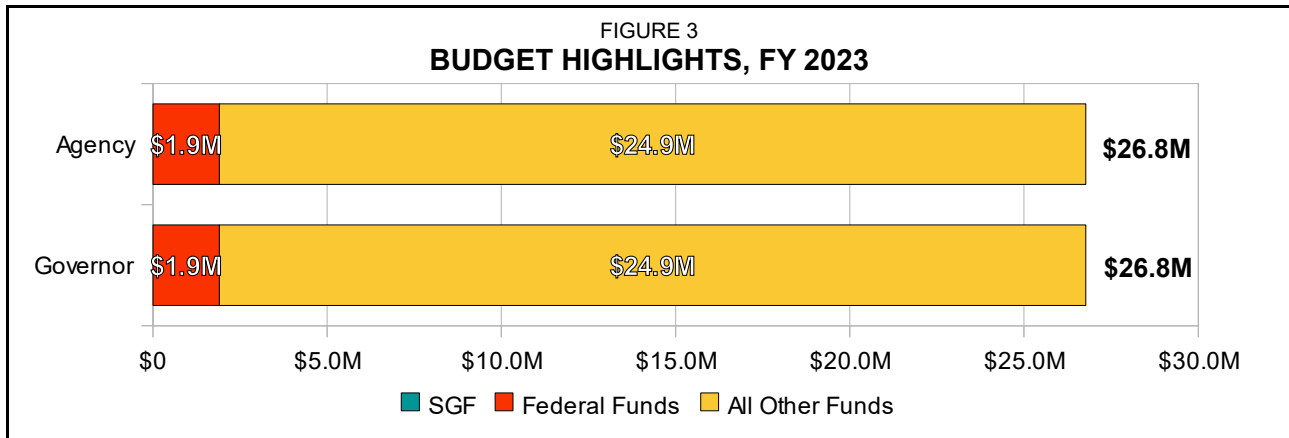
The 2021 Legislature approved a budget of \$24.2 million, all from special revenue funds, for the Kansas Corporation Commission for FY 2022.



The **agency** estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$1.6 million, or 6.5 percent, above the FY 2022 approved amount. The agency's revised estimate includes increased expenditures, primarily in the Utilities Division,

for consulting fees due to the implementation of 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The agency's revised estimate also includes expenditures to begin the implementation of a new Docket Management System. Expenditures in FY 2022 are budgeted for information technology consulting services during the request for proposal process, while expenditures in FY 2023 are budgeted to purchase the system software. The agency's revised estimate includes increased expenditures to plug abandoned wells in accordance with the established prioritization schedule.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests FY 2023 expenditures of \$26.8 million, all from special revenue funds. This is an increase of \$960,678, or 3.7 percent, above the FY 2022 revised estimate. The agency's request includes funding to purchase the Docket Management System software. The increase is also due to increased federal funds for the Energy Division.

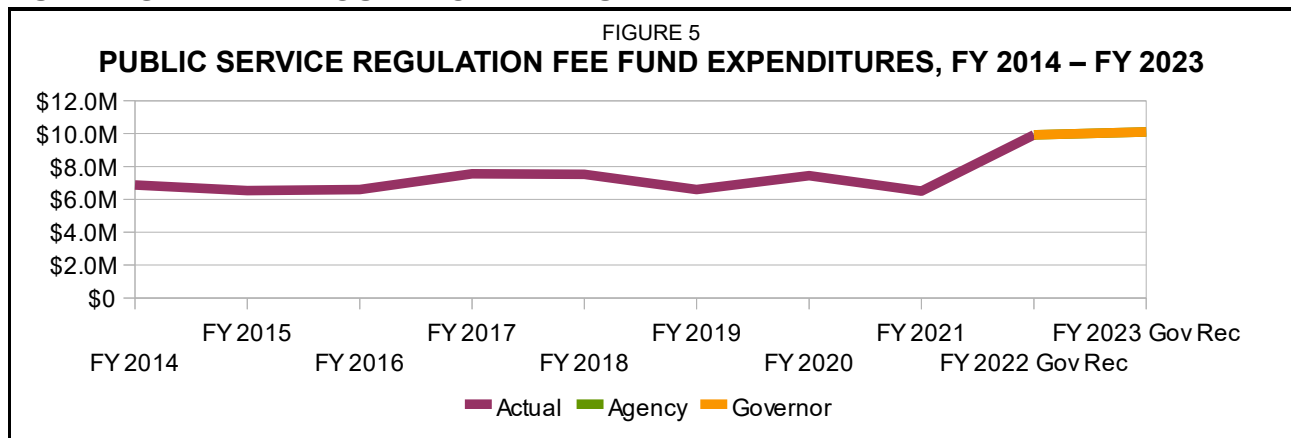
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

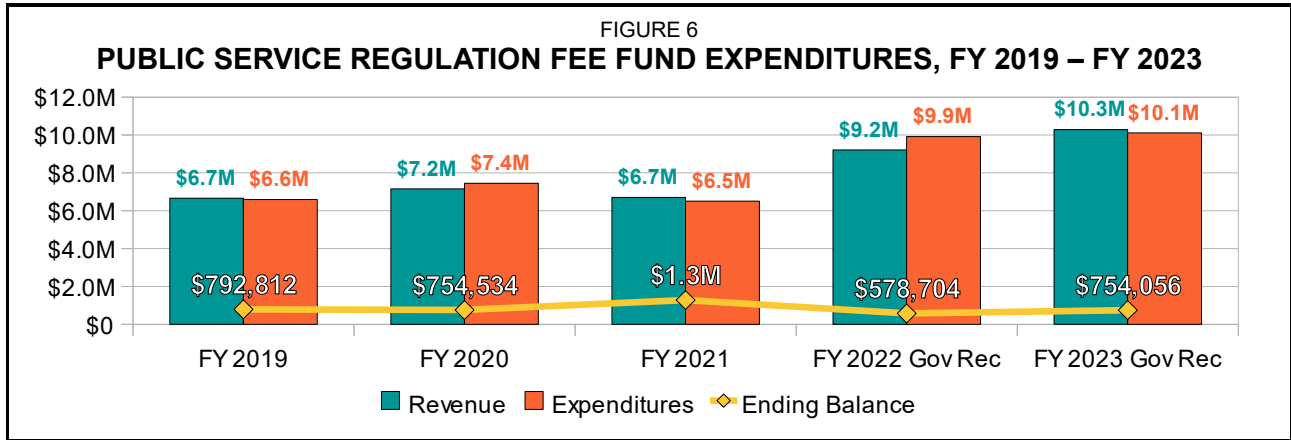
Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ 13,169,488	\$ 15,851,428	\$ 15,851,428	\$ 16,167,084	\$ 16,167,084
Contractual Services	6,854,147	8,213,924	8,213,924	7,794,239	7,794,239
Commodities	212,877	339,470	339,470	348,414	348,414
Capital Outlay	866,437	1,410,284	1,410,284	2,466,047	2,466,047
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 21,102,949</i>	<i>\$ 25,815,106</i>	<i>\$ 25,815,106</i>	<i>\$ 26,775,784</i>	<i>\$ 26,775,784</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 21,102,949</i>	<i>\$ 25,815,106</i>	<i>\$ 25,815,106</i>	<i>\$ 26,775,784</i>	<i>\$ 26,775,784</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Public Service	6,507,052	9,790,356	9,790,356	10,012,582	10,012,582
Regulation Fund					
Conservation Fee	7,036,645	9,325,297	9,325,297	9,557,387	9,557,387
Fund					
Abandoned Oil and	3,346,600	1,800,173	1,800,173	2,027,463	2,027,463
Gas Well Fund					
Federal Funds	1,462,637	1,798,425	1,798,425	1,903,275	1,903,275
All Other Funds	2,750,015	3,100,855	3,100,855	3,275,077	3,275,077
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
FTE Positions	162.8	204.8	204.8	205.3	205.3

PUBLIC SERVICE REGULATION FEE FUND



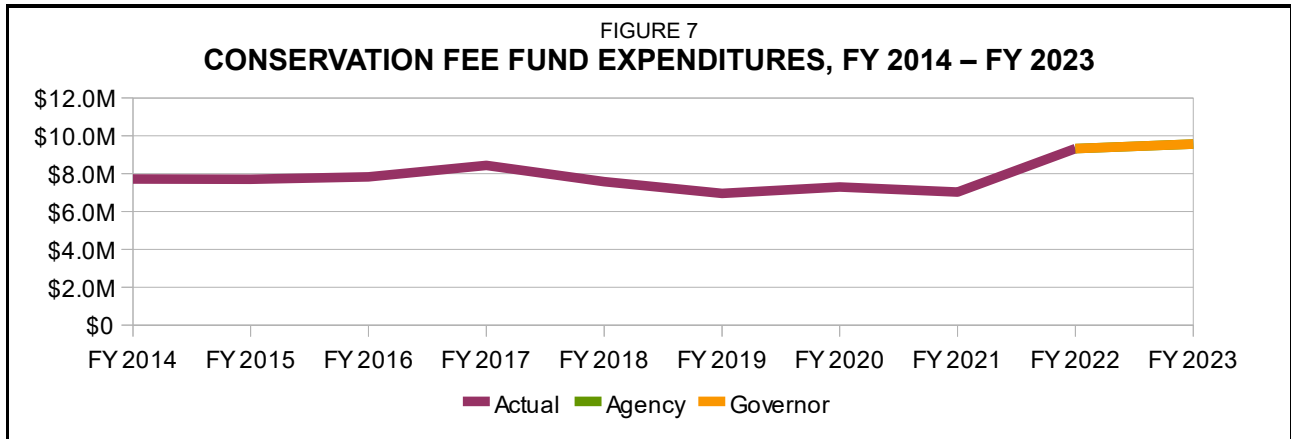
The Public Service Regulation Fee Fund is used to finance payments for outside accounting, legal, and economic advisory services incurred in connection with the investigation of a utility or common carrier for violating, refusing, or failing to obey any lawful requirement or any order of the Commission. The KCC is empowered to assess a fine against a utility or common carrier company undergoing investigation of up to three-fifths of 1.0 percent (0.6 percent) of the gross revenue derived from the company's intrastate operations in the preceding year.

PUBLIC SERVICE REGULATION FEE FUND



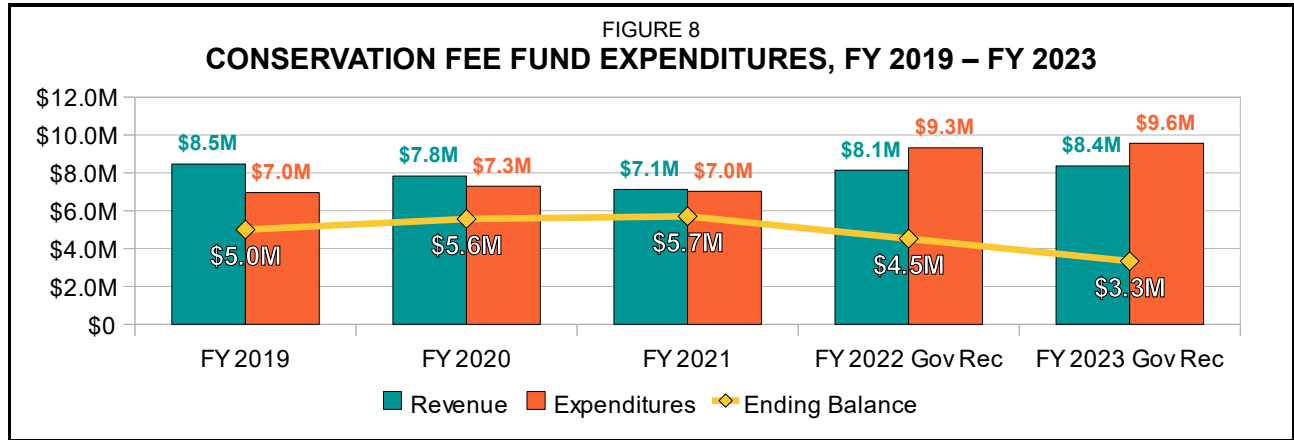
The agency estimates increased expenditures from the Public Service Regulation Fee Fund in FY 2022 and FY 2023 due to 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. These dockets will require additional consultants to participate in cases and observe all facets of the process as authorized in the bill. These costs are covered by the utilities undertaking the process, which provides for the increased revenue in FY 2022.

CONSERVATION FEE FUND



The Conservation Fee Fund provides funding for the administration of operations and oversight of oil and gas activities. It is funded by assessments and fees on the petroleum industry.

CONSERVATION FEE FUND



The agency estimates increased Conservation Fee Fund expenditures in FY 2022 primarily due to the filling of vacant positions. Increased revenue in FY 2022 is due to the termination of the annual transfer to the Abandoned Oil and Gas Well Fund. HB 2022 (2021) ceased the transfer and authorized the agency to combine its two funds used for abandoned well plugging. Increased expenditures in FY 2023 are due to expenditures budgeted for the new Docket Management System.

FY 2022 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 24,248,140	\$ 24,248,140	204.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 24,248,140	\$ 24,248,140	204.5
Agency Revised Estimate:				
2. Consulting Fees	\$ -	\$ 838,966	\$ 838,966	--
3. Docket Management System	-	66,600	66,600	--
4. Well Plugging	-	200,000	200,000	--
5. Vacant Positions and Salary Increases	-	243,902	243,902	--
6. Vehicle Purchases	-	166,075	166,075	--
7. All Other Adjustments	-	51,423	51,423	0.3
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 25,815,106	\$ 25,815,106	204.8
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 25,815,106	\$ 25,815,106	204.8

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$24.2 million, all from special revenue funds, approved for the Kansas Corporation Commission in FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$1.6 million, or 6.5 percent, above the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

2. **CONSULTING FEES.** The 2021 Legislature passed Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The bill also requires the agency to determine that a securitization would provide quantifiable benefits to customers. The bill also grants to KCC the authority to designate a representative from KCC staff, who may be advised by legal counsel and financial advisors, to observe all facets of the process undertaken by a public utility during the bond letting process. The agency notes that it does not currently have sufficient expertise on staff and estimates additional consulting fee expenditures to meet these obligations. The agency's revised estimate includes an increase of \$838,966, primarily in the Utilities Division, for these consulting fees.
3. **DOCKET MANAGEMENT SYSTEM.** The agency notes that it had to delay the implementation of a new docket management system due to the COVID-19 pandemic. The agency's revised estimate includes \$66,600 to begin the implementation of the new system. Expenditures in FY 2022 are budgeted for information technology consulting services during the request for proposal process, while FY 2023 expenditures are budgeted to purchase the system software.

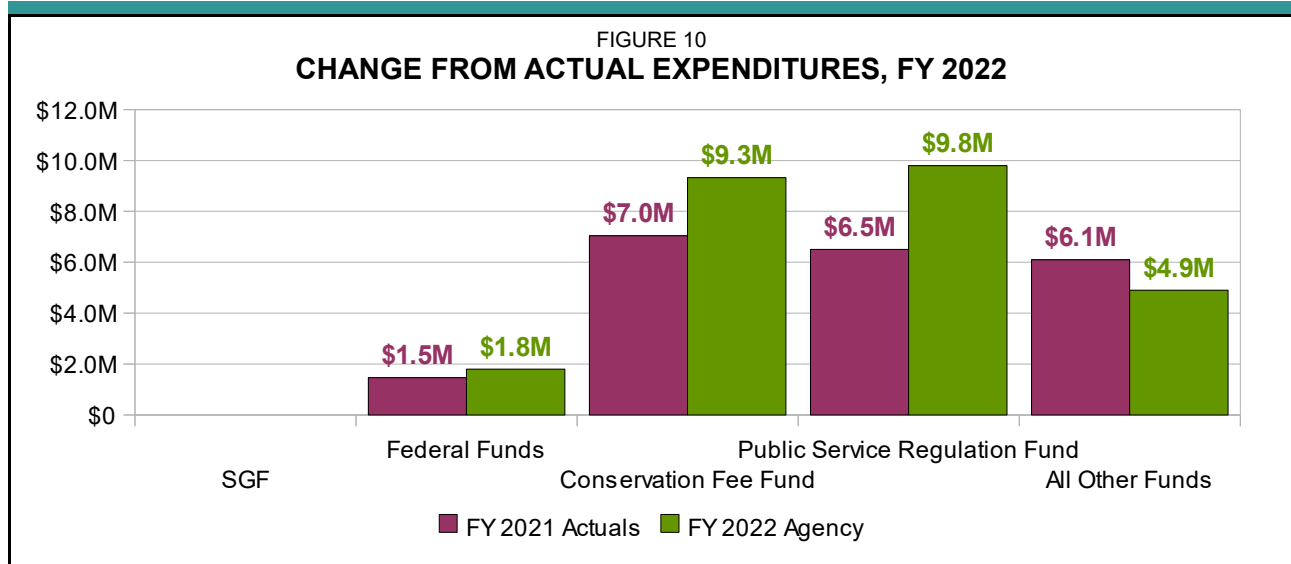
4. **WELL PLUGGING.** The Conservation Division is responsible for investigating, monitoring, and plugging abandoned oil and gas wells in the state. The agency's revised estimate includes an increase of \$200,000 to plug abandoned wells in accordance with the established prioritization schedule.
5. **VACANT POSITIONS AND SALARY INCREASES.** The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency requests funding to increase existing salaries to retain current employees. The agency requests \$243,902 to fill vacant positions and increase salaries, especially in the Conservation and Utilities programs.
6. **VEHICLE PURCHASES.** The agency's revised estimate includes an increase of \$166,075 to purchase 6 vehicles for the Conservation, Transportation, and Administration divisions.
7. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes a \$51,423 increase for miscellaneous operational changes and other adjustments, including purchasing GPS units for the Conservation Division and increased receipt of federal funds for the Energy Division.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$4.7 million, or 22.3 percent, above FY 2021 actual expenditures. This increase is primarily caused by:

- Filling vacant positions and salary increases primarily in the Administration, Conservation, and Utilities divisions. The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency requests increases for existing salaries to retain current employees.
- Increased expenditures for a new Docket Management System that was delayed in FY 2021 due to the COVID-19 pandemic.
- Increased budgeted expenditures for consulting fees. The agency notes it budgets 10.0 percent above actual expenditures to ensure funding is available in the event of an increased number of rate cases. Additionally, the enactment of 2021 Senate Sub. for HB 2072 requires the agency to observe all facets of the securitization bond letting process. The agency notes it does not currently have the expertise to fulfill this duty and must contract with consultants to complete this obligation.

The agency's revised estimate includes 204.8 FTE positions which is an increase of 41.8 FTE positions above the FY 2021 actual number. This increase is due to vacant positions not being included in the FY 2021 actual number.

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 25,815,106	\$ 25,815,106	204.8
Agency Request:				
1. Docket Management System	\$ -	\$ 802,822	\$ 802,822	--
2. Vacant Positions and Salary Increases	-	315,656	315,656	--
3. Utilities Consulting Fees	-	(381,895)	(381,895)	--
4. Energy Division Contracts	-	78,460	78,460	--
5. Well Plugging	-	224,627	224,627	--
6. KOLAR System Maintenance	-	(42,691)	(42,691)	--
7. All Other Adjustments	-	(36,301)	(36,301)	0.5
<i>Subtotal—Agency Request</i>	\$ -	\$ 26,775,784	\$ 26,775,784	205.3
Governor’s Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 26,775,784	\$ 26,775,784	205.3

AGENCY REQUEST

The **agency** requests FY 2023 expenditures of \$26.8 million, all from special revenue funds. This is an increase of \$960,678, or 3.7 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- DOCKET MANAGEMENT SYSTEM SOFTWARE.** The agency notes the implementation of its new Docket Management System was delayed in FY 2021 due to the COVID-19 pandemic. The agency's request includes \$1.1 million to purchase the system software. This increase is partially offset by decreased expenditures on information technology consulting for the project.
- VACANT POSITIONS AND SALARY INCREASES.** The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency states it needs to increase existing salaries to retain current employees. The agency request includes additional expenditures of \$315,656 to fill vacant positions and increase existing salaries.
- UTILITIES CONSULTING FEES.** The Legislature passed 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The bill also requires the agency to determine that a securitization would provide quantifiable benefits to customers. The bill also grants to the KCC the authority to designate a representative from KCC staff, who may be advised by legal counsel and financial advisors, to observe all facets of the process undertaken by a public utility during the bond letting process. These case filings caused an increase in consultant expenditures in FY 2022 but the case filings are expected to decrease slightly for FY 2023.
- ENERGY DIVISION CONTRACTS.** The Energy Division partners with Kansas State

University-Engineering Extension for technical support on energy audits and for K-12 school outreach to increase awareness of energy conservation. The agency request includes increased expenditures of \$78,460, all from federal funds, for these contracts.

5. **WELL PLUGGING.** The Conservation Division is responsible for investigating, monitoring, and plugging abandoned oil and gas wells in the state. The agency's revised estimate includes an increase of \$224,627 to plug abandoned wells in accordance with the established prioritization schedule. This increase brings the FY 2023 total budgeted for well plugging to \$1.9 million.
6. **KOLAR SYSTEM MAINTENANCE.** The Conservation Division, in collaboration with the Kansas Geological Survey, utilizes the Kansas On-Line Automated Reporting (KOLAR) system for processing paperwork regarding oil and gas well drilling. Recent updates have focused on increasing the number of forms available on the system. The agency's request includes a \$42,691 decrease below the FY 2022 level of \$487,252 for maintenance of this system.
7. **ALL OTHER ADJUSTMENTS.** The agency request includes a \$36,301 decrease for miscellaneous operational changes and other adjustments.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 request.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2023 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

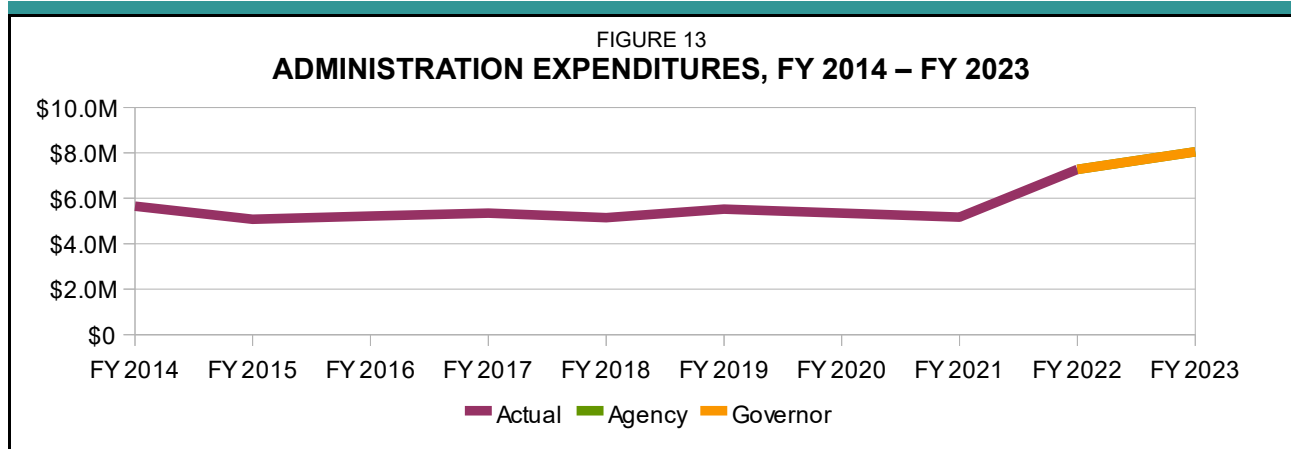
FIGURE 12
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 5,167,707	\$ 7,269,951	\$ 7,269,951	\$ 8,049,151	\$ 8,049,151
Conservation	10,040,410	10,407,910	10,407,910	10,632,786	10,632,786
Transportation	1,492,908	1,684,015	1,684,015	1,755,570	1,755,570
Utilities	3,835,436	5,717,290	5,717,290	5,451,423	5,451,423
Energy	566,488	735,940	735,940	886,854	886,854
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
FTE Positions:					
Administration	42.0	58.0	58.0	58.0	58.0
Conservation	70.8	87.8	87.8	87.8	87.8
Transportation	16.0	17.0	17.0	17.0	17.0
Utilities	34.0	39.0	39.0	39.5	39.5
Energy	-	3.0	3.0	3.0	3.0
TOTAL	162.8	204.8	204.8	205.3	205.3

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 74-601 to 74-631; 74-605; 74-606

PROGRAM GOALS:

- Protect the public interest by impartially, effectively, and efficiently regulating the rates, terms of service, and safety of public utilities and commercial trucking by regulating the production of crude oil and natural gas, and by promoting energy programs that improve energy efficiency in Kansas.
- Ensure due process in KCC proceedings and ensure compliance with applicable statutes and regulations.
- Maintain all dockets for the agency and ensure timely filing of all documents within the dockets.
- Serve as a resource for the legislative process by providing technical information to legislators, their staff, and legislative committees in regard to subject matters under the agency's regulatory authority.
- Provide a streamlined process for public participation, education, and protection for the general public regarding regulatory issues.
- Implement programs and services to ensure a comprehensive and effective human resources effort for the KCC.
- Provide responsive, cost-effective, and efficient information technology services to the agency.
- Process all fiscal related transactions for the agency and provide support to the divisions for purchases, travel, and other fiscal related matters. Maintain financial integrity of the KCC.

The Administration Division is composed of the following sections: the Front Office, Litigation and Advisory, Consumer Protection, Human Resource Services, Information Technology Services, Docket Room/Legislative and Compliance, and Fiscal Management and Support Services.

FIGURE 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Orders Issued*	2,756	711	2,204	2,300	2,300
2.Number of Hours Litigation Attorneys Spent on Rate Cases*	787	685	781	1,200	1,200
3.Number of Hours Litigation Attorneys Spent on FERC and SPP (New Metric in 2020)*	455	638	547	700	700
4.Number of Dockets Opened*	959	1,072	980.3	1,300	1,300

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	40,116		-	-
All Other Funds	5,301,487	5,127,591		7,269,951	8,049,151
TOTAL	<u>\$ 5,301,487</u>	<u>\$ 5,167,707</u>		<u>\$ 7,269,951</u>	<u>\$ 8,049,151</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	4.0 %	(2.5) %		40.7 %	10.7 %
FTE Positions	44.5	42.0		58.0	58.0

*The Governor's Office does not utilize this measure for evaluation purposes.

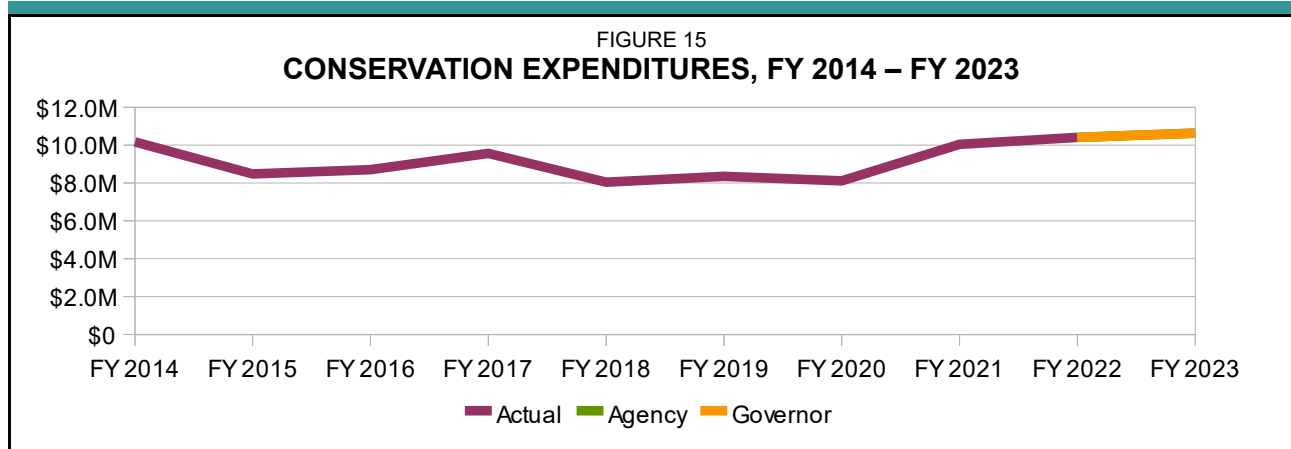
BUDGET ANALYSIS

The Administration Division requests FY 2023 expenditures of \$8.0 million, all from special revenue funds. This is an increase of \$779,200, or 10.7 percent, above the FY 2022 revised estimate. This increase is primarily due to the purchase of software for the new Docket Management System. This increase is partially

offset by decreased expenditures for information technology consulting for the new system and for software maintenance costs.

The **Governor** concurs with the agency's FY 2023 Administration Division request.

CONSERVATION



STATUTORY BASIS: • KSA 74-606; 74-623 to 74-628

PROGRAM GOALS:

- Regulate, enforce laws, and supervise activities associated with the exploration and production of oil and gas to prevent degradation of land and water resources.
- Timely reclaim and remediate land and water sources using allocated funds.
- Prevent waste in the production of crude oil and natural gas resources.
- Protect correlative rights of mineral owners and royalty interest holders.

The Conservation Division is responsible for administering the state's oil and gas field regulatory programs. More specifically, the Division enforces regulations and statutes concerning abandoned well plugging and site remediation, underground injection control,

Mississippi Lime Play, hydraulic fracturing (fracking), permitting/compliance, landspreading, intrastate gas storage, carbon dioxide sequestration, compressed air energy storage, and the Kansas Online Automated Reporting system.

FIGURE 16
CONSERVATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Median Response Time in Days to Single Well Project Priority 1A Abandoned Wells*	2.5	44.5	57.7	30	30
2. Percent of Mechanical Integrity Test Failures (wells) Remediated within 90 days (UIC** Measures are Tracked on Federal FYs, FY 2021 is Based on Data Through June 1, 2021)	92.0 %	84.0 %	88.3 %	90.0 %	90.0 %
Output Measure:					
3. Number of Priority 1A Wells*	47	25	26	N/A	N/A
4. Mechanical Integrity Test Failures (UIC** Program Measures are Tracked on Federal Fiscal Years, FY 2021 is Based on Data Through June 1, 2021)*	324	174	244	250	250
5. Oil and Gas Facility Inspections *	3,983	4,540	4,227	4,000	4,000
6. Wells Plugged in the Course of Regulatory Enforcement	716	727	705.7	600	600

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	311,299	245,250		379,142	388,310
All Other Funds	7,808,075	9,795,160		10,028,768	10,244,476
TOTAL	\$ 8,119,374	\$ 10,040,410		\$ 10,407,910	\$ 10,632,786
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.8) %	23.7 %		3.7 %	2.2 %
FTE Positions	71.0	71.0		87.8	87.8

*The Governor's Office does not utilize this measure for evaluation purposes.

**Underground Injection Control

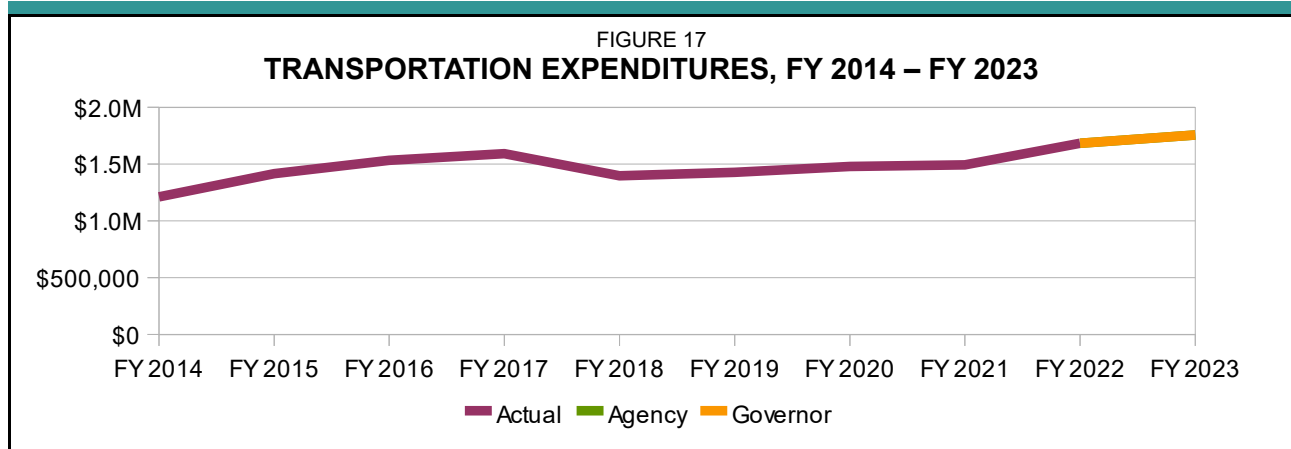
BUDGET ANALYSIS

The **agency** requests FY 2023 Conservation Division expenditures of \$10.6 million, all from special revenue funds. This is an increase of \$224,876, or 2.2 percent, above the FY 2022 revised estimate. This increase is primarily due

to increased expenditures for abandoned well plugging and the purchase of GPS units.

The **Governor** concurs with the agency's FY 2023 Conservation Division request.

TRANSPORTATION



STATUTORY BASIS: • KSA 66-1,108a, 1, 108b; 66-1, 112g; 66-1,114; 66-1,139(a); 66-1,129

PROGRAM GOALS:

- Reduce the number of accidents involving Kansas-based carriers in comparison to carriers based in Midwest states.
- Reduce the number of conditional and unsatisfactory rated Kansas-based carriers.
- Maintain a high rate of compliance of Kansas-based carriers with Unified Carrier Registration (UCR) requirements.

The Transportation Division regulates motor carriers of persons and property (common and private carriers) and works to assure compliance by regulated transportation industries in Kansas and safety for

carrier-shippers and the consuming public. The program helps protect the public interest and safety through comprehensive inspection, licensing, and planning.

FIGURE 18
TRANSPORTATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Kansas-based Motor carriers in compliance with Unified Carrier Registration	96.0 %	97.5 %	96.5 %	98.0 %	98.0 %
2. Rate of Drivers Taken Out of Service Following Roadside Inspection	5.5 %	5.8 %	5.4 %	5.0 %	5.0 %
3. Rate of Vehicles Taken Out of Service Following Roadside Inspection	15.1 %	15.0 %	15.0 %	15.0 %	15.0 %
4. Rate of Vehicles Taken Out of Service Following Hazardous Materials Inspection	5.4 %	7.6 %	6.1 %	5.0 %	5.0 %
Output Measure:					
5. Conducted Compliance Reviews*	201	113	175	225	225
6. Conducted Training Seminars*	87	47	77	90	90

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,478,396	1,492,908		1,684,015	1,755,570
TOTAL	<u>\$ 1,478,396</u>	<u>\$ 1,492,908</u>		<u>\$ 1,684,015</u>	<u>\$ 1,755,570</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	3.6 %	1.0 %		12.8 %	4.2 %
FTE Positions	15.0	16.0		17.0	17.0

*The Governor's Office does not utilize this measure for evaluation purposes.

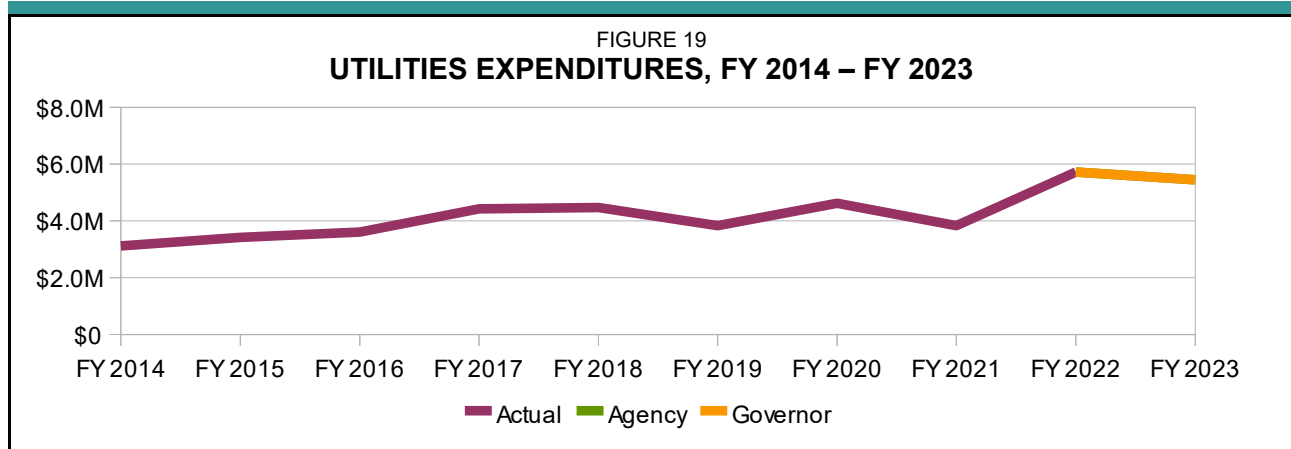
BUDGET ANALYSIS

The **agency** requests FY 2023 Transportation Division expenditures of \$1.8 million, all from special revenue funds. This is an increase of \$71,555, or 4.2 percent, above the FY 2022 revised estimate. This increase is primarily due

to filling vacant positions and increased expenditures on software maintenance.

The **Governor** concurs with the agency's FY 2023 Transportation Division request.

UTILITIES



- STATUTORY BASIS:** • KSA 74-601 to 74-631; 74-633
- PROGRAM GOALS:**
- Ensure the laws and regulations applicable to jurisdictional electric, natural gas, telecommunications, and water utilities are adhered to.
 - Provide recommendations and advice to the KCC to promote and assure sufficient, efficient, and safe utility services at reasonable and non-discriminatory rates to consumers.
 - Minimize the safety risk of natural gas pipeline operations through the state by assuring safe operation through compliance with regulations. Initiate action to educate operators to lower safety risk of natural gas system.
 - Lower the risk to public safety by reducing excavator damages to pipelines.
 - Protect the public interest through impartial, efficient, and transparent resolution of all jurisdictional issues through regulation and oversight of rates, services, and quality of service of jurisdictional telecommunications public utilities.

The Utilities Division is responsible for administering the regulations and statutes applicable to utilities under the KCC’s jurisdiction, including electric, natural gas, telephone, liquid pipelines, and water utilities. It also regulates rates and other aspects of utility operations.

The primary responsibility of the Utilities Division is to make recommendations to the Commission concerning the fairness of utility rates and tariffs, as well as the efficiency and sufficiency of utility services and operations.

FIGURE 20
UTILITIES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Applications Granted by KCC*	90.0 %	86.0 %	87.0 %	85.0 %	85.0 %
2. Percent of Applications Denied by KCC*	10.0 %	14.0 %	13.0 %	15.0 %	15.0 %
3. Highest Number of Hours for Rate Case(s) During Fiscal Year*	3,750	5,786	4,393	3,750	3,750
4. Highest Cost for a Rate Case During the Fiscal Year*	\$ 200,000	\$ 69,974	\$ 167,006	\$ 35,000	\$ 35,000
5. Average Amount of Rate Increase Granted as a Percentage of Requested Amount	N/A	77.1 %	--	50.0 %	50.0 %

Output Measure:					
6. Percent of Filed Rate Case Applications Reviewed within 240 Day Statutory Deadline	100 %	100 %	100 %	100 %	100 %
7. Percent of Applications Completed in Less than 180 Days	83.6 %	86.0 %	83.5 %	90.0 %	90.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	465,149	709,102		647,574	664,609
All Other Funds	4,156,652	3,126,334		5,069,716	4,786,814
TOTAL	\$ 4,621,801	\$ 3,835,436		\$ 5,717,290	\$ 5,451,423
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	20.8 %	(17.0) %		49.1 %	(4.7) %
FTE Positions	34.0	34.0		39.0	39.5

*The Governor's Office does not utilize this measure for evaluation purposes.

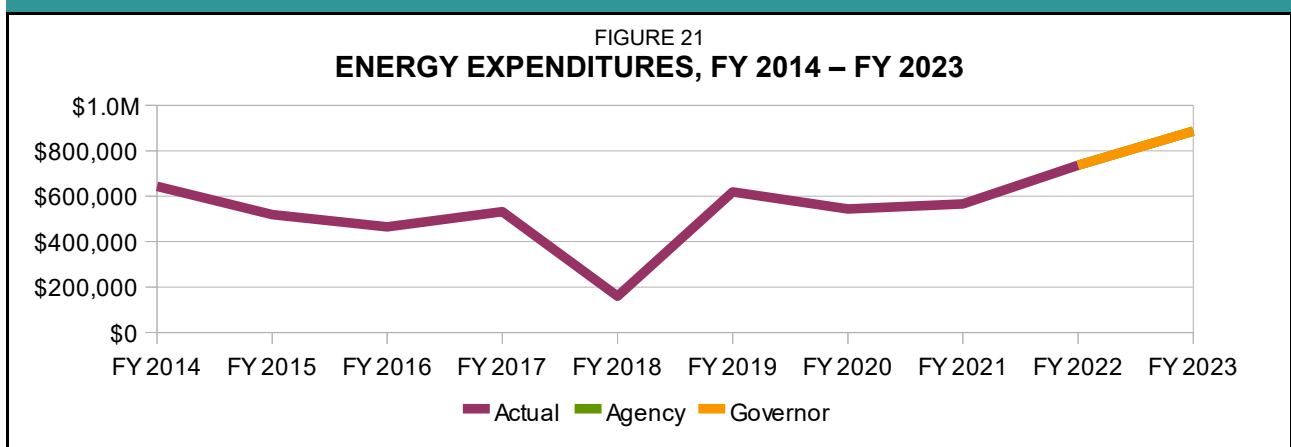
BUDGET ANALYSIS

The Utilities Division requests FY 2023 expenditures of \$5.5 million, all from special revenue funds. This is a decrease of \$265,867, or 4.6 percent, below the FY 2022 revised estimate. This decrease is primarily due to decreased expenditures for consulting services related to 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to

recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction.

The **Governor** concurs with the agency's FY 2023 Utilities Division request.

ENERGY



STATUTORY BASIS: • KSA 74-616; 74-617; 74-622; 75-37,125; 75-37,129

PROGRAM GOALS:

- Increase energy conservation in small rural businesses and public buildings.
- Increase the number of schools participating in K-12 energy benchmarking activities.
- Expand energy efficiency education outreach (K-12, small business, and residential). This includes KidWind participants.

The Energy Division administers federal and state programs aimed at promoting energy conservation practices and delivering energy conservation services. The Energy Division works to identify opportunities to encourage

energy conservation while fostering business development and efficient delivery of public services, particularly in rural Kansas. The Energy Division is funded through the U.S. Department of Energy State Energy Program.

FIGURE 22
ENERGY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Presentations about Facility Conservation Improvement Program (FCIP)*	5	3	3.7	5	5
2. Number of Public Entities Supported Through Energy Performance Contracting*	4	3	4.3	2	3
3. Kwh Energy Savings Identified Through Small Business Energy Assessments*	\$ 1,518,925	\$ 1,995,081	\$ 1,927,103	\$ 550,000	\$ 550,000
4. Energy Assessments/Audits Completed for Small Rural Businesses*	23	20	21.3	21	21
5. Number of Energy Efficiency Presentations*	31	38	33.3	15	15
6. Number of K-12 School Districts Participating in Energy Benchmarking*	N/A	7	--	12	15
7. K-12 Building Square Footage Being Tracked in Energy Star Portfolio*	N/A	2,172,617	--	2,600,000	3,000,000
8. Number of Students Participating in KidWind Challenge*	378	91	243.3	400	400

9. Percent Increase of FCIP presentations	N/A	N/A	--	20.0 %	10.0 %
10. Percent of Small Businesses Applying for USDA Rural Energy for American Grants	N/A	56.0 %	--	30.0 %	30.0 %
11. Percent of Small Businesses Implementing Changes Recommended by Energy Audits	N/A	38.0 %	--	40.0 %	40.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	543,613	566,488		735,940	886,854
All Other Funds	-	-		-	-
TOTAL	\$ 543,613	\$ 566,488		\$ 735,940	\$ 886,854
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(12.1) %	4.2 %		29.9 %	20.5 %
FTE Positions	--	3.0		3.0	3.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests FY 2023 Energy Division expenditures of \$886,854, all from special revenue funds. This is an increase of \$150,914, or 20.5 percent, above the FY 2022 revised estimate. This increase is primarily due to increased expenditures on contracts with Kansas State University for technical

assistance on audits and for education outreach. The increase is also due to the filling of vacant positions.

The **Governor** concurs with the agency's FY 2023 Energy Division request.