

February 8, 2023

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2225 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2225 is respectfully submitted to your committee.

HB 2225 would prohibit electrical utilities from recovering costs associated with transmission facilities constructed as a result of such utility's internal or local planning processes. The bill would only allow the recovery of transmission related costs if such facilities were constructed due to a directive from a regional transmission organization or independent system operator that is regulated by the Federal Energy Regulatory Commission. The bill would only apply to electrical utility companies that are under the jurisdiction of the Kansas Corporation Commission.

Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	--	--
Expenditure	--	40,000	--	40,000
FTE Pos.	--	--	--	--

The Citizens' Utility Ratepayer Board indicates that enactment of HB 2225 would increase the agency's involvement in utility rate cases, resulting in \$40,000 of additional expenditures from the agency fee fund in FY 2023, FY 2024, and all subsequent fiscal years. These expenditures would be made to retain expert consultants to evaluate the recoverability of transmission related

costs and analyze the impact of such costs on consumers' utility rates. This estimate assumes that the additional consulting fees would total \$60,000 per rate case and that the agency would intervene in one rate case every 18 months, on average.

According to the Kansas Corporation Commission, enactment of HB 2225 would not have a fiscal effect on agency operations. Any fiscal effect associated with HB 2225 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Peter Barstad, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board