

January 30, 2018

CORRECTED

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

Dear Senator Olson:

SUBJECT: Corrected Fiscal Note for SB 323 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following corrected fiscal note concerning SB 323 is respectfully submitted to your committee.

SB 323 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 SB 323 would have no fiscal effect on the agency. In the fiscal effect statement originally issued, it was incorrectly stated that enactment of the bill would have no fiscal effect on Kansas cities. The League of Kansas Municipalities indicates that provisions in this bill could jeopardize economic development projects, limiting growth in jobs and wages, which would in turn limit the growth of city revenues.

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In addition, the League states that if decisions of the governing body of municipalities are appealed to the Kansas Corporation Commission, staff and/or legal costs might be incurred.

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: Jake Fisher, KCC
Chardae Caine, League of Municipalities