

January 29, 2014

The Honorable Pat Apple, Chairperson  
Senate Committee on Utilities  
Statehouse, Room 224-E  
Topeka, Kansas 66612

Dear Senator Apple:

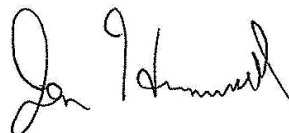
**SUBJECT:** Fiscal Note for SB 280 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 280 is respectfully submitted to your committee.

SB 280 would amend current law regarding excess energy credits and fixed charges. The bill would define a fixed charge as any fixed customer charge, basic service fee, demand charge, or other charge not based on the volume of electricity used by the customer. The bill would give the Kansas Corporation Commission (KCC) the authority to establish a fixed charge and would delete language in the statute that requires full retail rates be offered for excess energy to eligible generators. The bill would set the rate offered to eligible generators at 150.00 percent of the utility's monthly system average cost of energy per kilowatt hour. Eligible generators that began operating before July 1, 2014 would be compensated at the full retail rate until January 1, 2030. Eligible generators that began operation after July 1, 2014 would be compensated at the new rate of 150.00 percent of the monthly system average costs of energy per kilowatt hour. Compensation would be set through bill credits.

Both the Kansas Corporation Commission and the Citizens Utility Ratepayer Board indicate that passage of the bill would have no fiscal effect.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Tom Day, KCC  
Shonda Smith, CURB