

February 20, 2014

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

Dear Senator Apple:

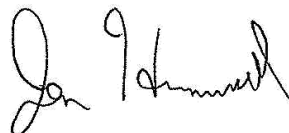
**SUBJECT:** Fiscal Note for SB 374 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 374 is respectfully submitted to your committee.

SB 374 would create the Kansas Energy Efficiency Investment Act. The bill includes definitions related to energy efficiency and states that it is the goal of the state to promote implementation and expansion of cost-effective demand-side management and investments in Kansas. The bill would require the Kansas Corporation Commission (KCC) to issue an order within 120 days of a utility application seeking demand-side management program approval. Cost recovery would be allowed for reasonable costs for delivering cost-effective demand-side management programs. Additional cost recovery mechanisms are listed in the bill; however, they would not be required. Included in the bill are actions that the KCC could take that would achieve the goals of the Act. Utilities would be required to file annual, detailed reports. The KCC would adopt rules and regulations to implement the Act by December 31, 2014.

Passage of the bill would have no fiscal effect for the Citizens Utility Ratepayer Board. The KCC indicates that the fiscal effect for SB 374 would be negligible since program implementation would be the responsibility of each electric public utility; and the responsibility of the KCC would be to review, make recommendations, and approve or disapprove each of the programs submitted. These activities could be performed within existing KCC resources.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Tom Day, KCC  
Shonda Smith, CURB