

January 30, 2012

The Honorable Carl Holmes, Chairperson
House Committee on Energy and Utilities
Statehouse, Room 174-W
Topeka, Kansas 66612

Dear Representative Carl Holmes:

SUBJECT: Fiscal Note for HB 2512 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2512 is respectfully submitted to your committee.

HB 2512 would allow a natural gas public utility to elect to put into effect temporary rates, charges, or schedules of charges, without Kansas Corporation Commission (KCC) review 30 days after making its filing with the KCC. If the utility would decide to place the changed rates, charges or schedules of charges, pertaining to service or rates in effect without KCC review, the utility would be required to file with the KCC a suspending bond or other guaranty. The amount of the bond or guaranty could not exceed the difference between the annual revenues derived from the proposed increase in rates or charges and the annual revenues derived from the existing rates or charges.

The suspending bond or guaranty must be approved by the KCC on the condition that the refund of an amount equal to the difference between the actual revenues received under the temporary rates or charges and the revenues that would have been received under the existing rates or charges, plus interest on that amount in a manner prescribed by the KCC. At the conclusion of the proceeding, if the increase reflected by the temporary rates or charges implemented under this section exceeds the final rates or charges ordered by the KCC, the difference between the revenues derived from the temporary increase in rates or charges and the final rates or charges would be refunded to customers, including interest, in a manner prescribed by the KCC, provided that all refunds not claimed within one year of the date of the distribution of the refund amount would be paid to the State Treasurer and credited to the State General Fund.

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Page 2—2512

The Kansas Corporation Commission indicates that the passage of HB 2512 would have no fiscal effect on the agency, although there could be an increase in revenues to the State General Fund if refunds are available and are not claimed by customers. Since Kansas has never allowed interim rates, there are no data that could be used to make an estimate of what this increase in revenue could be. Any fiscal effect associated with HB 2512 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Tom Day, KCC