

March 24, 2025

The Honorable Michael Fagg, Chairperson
Senate Committee on Utilities
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Fagg:

SUBJECT: Fiscal Note for SB 289 by Senate Committee on Federal and State Affairs

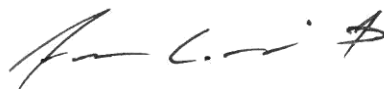
In accordance with KSA 75-3715a, the following fiscal note concerning SB 289 is respectfully submitted to your committee.

SB 289 would amend current law regarding economic development electric rates to establish when the electric public utility would be able to provide discounts to an industrial or commercial customer. Beginning July 1, 2025, the bill would require that the Kansas Corporation Commission (KCC) could not authorize the implementation of a discount rate for any new or expanded facility of an industrial or commercial customer unless that rate is sufficient to cover incremental and variable costs to serve that customer. This provision would not affect any discounts issued prior to July 1, 2025. The bill would also make technical amendments related to the proper reference and sections of the bill.

The KCC, Citizens' Utility Ratepayer Board, and Kansas Department of Commerce indicate that the enactment of the bill would not have a fiscal effect. Any fiscal effect associated with SB 289 is not reflected in *The FY 2026 Governor's Budget Report*.

Kansas Association of Counties indicates that the enactment of the bill would likely not have a fiscal effect on its operations; however, there could be some incremental impact if there are savings on electric rates for the county.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Retz, KCC
Shonda Rabb, CURB
Sherry Rentfro, Department of Commerce
Jay Hall, Kansas Association of Counties