

February 17, 2011

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

Dear Senator Apple:

SUBJECT: Fiscal Note for SB 190 by Senate Committee on Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning SB 190 is respectfully submitted to your committee.

SB 190 would amend current law regarding telecommunications and price regulation. The specific changes in the bill would include:

1. Utilizing the Telephone Services Index within the Consumer Price Index as the measure of inflation;
2. Revising the "Safe Harbor" provision to remove the adjustment for inflation and require notice to customers of the availability of stand-alone service without a term commitment and require reporting on the number of stand-alone access lines served in each of the price deregulated exchanges on a semi-annual basis; and,
3. Allowing for the resumption of price cap regulation if the weighted average rate for a price deregulated exchange is greater than the statewide weighted average rate for a specified period of time and if the incumbent provider has increased its rate in the price deregulated exchange by an amount greater than the change in inflation.

The bill would have a negligible fiscal effect on the Kansas Corporation Commission (KCC).

Sincerely,



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

cc: Tom Day, KCC
Shonda Smith, CURB