

February 10, 2023

The Honorable Leo Delperdang, Chairperson  
House Committee on Energy, Utilities and Telecommunications  
300 SW 10th Avenue, Room 582-N  
Topeka, Kansas 66612

Dear Representative Delperdang:

**SUBJECT:** Fiscal Note for HB 2154 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2154 is respectfully submitted to your committee.

HB 2154 would require each of the Kansas Corporation Commissioners to stand for statewide election and serve four-year terms. The first Commissioner would be elected in 2024, the second in 2026, and the third in 2028. The bill would also establish a new Utilities Regulation Division within the Office of the Attorney General which would be tasked with representing Kansas utility customers in rate case proceedings.

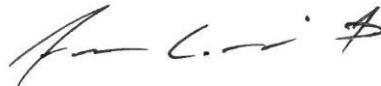
| Estimated State Fiscal Effect |                |                      |                |                      |
|-------------------------------|----------------|----------------------|----------------|----------------------|
|                               | FY 2023<br>SGF | FY 2023<br>All Funds | FY 2024<br>SGF | FY 2024<br>All Funds |
| Revenue                       | --             | --                   | --             | --                   |
| Expenditure                   | --             | --                   | --             | \$1,244,589          |
| FTE Pos.                      | --             | --                   | --             | --                   |

The Office of the Attorney General indicates that HB 2154 would increase the FTE position count and expenditures for the agency by unknown amounts. The bill would transfer certain staff from the Kansas Corporation Commission to the newly created Utilities Regulation Division within the Office of the Attorney General and allow the agency to contract for additional professional services necessary to carry out the Division's responsibilities.

The Kansas Corporation Commission estimates that enactment of HB 2154 would increase agency expenditures by \$1.2 million in FY 2024 and subsequent fiscal years. These expenditures would be made to replace staff that would be lost to the Office of the Attorney General but are necessary to fulfill the agency's legal obligations. The agency notes that because current salaries for legal and technical staff have fallen behind market rates, hiring replacement staff at competitive salaries would lead to higher overall expenditures for salaries and benefits.

According to the Kansas Secretary of State, administration of the elections required by HB 2154 would cost Kansas counties a total of \$50,000 to \$75,000 per year. The Citizens' Utility Ratepayer Board reports that HB 2154 would not have a fiscal effect on agency operations. Any fiscal effect associated with HB 2154 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Peter Barstad, Kansas Corporation Commission  
Shonda Rabb, Citizens Utility Ratepayer Board  
John Milburn, Office of the Attorney General