

SESSION OF 2011

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 224**

As Amended by House Committee on  
Energy and Utilities

**Brief\***

SB 224 contains provisions related to electric supply and demand reports, and to the gas system reliability surcharge.

***Electric Supply and Demand Reports***

The bill would require the Kansas Corporation Commission (KCC) to issue a biennial report on electric supply and demand for all electric utilities in Kansas, beginning February 1, 2013. The report would include, but not be limited to, generation capacity needs, system peak capacity needs, and renewable generation needs associated with the 2009 Kansas renewable energy standards. The report would be submitted to the House Energy and Utilities Committee and the Senate Utilities Committee.

***Gas System Reliability Surcharge***

The bill would allow a regulated natural gas company that collects a gas system reliability surcharge from its customers to request an extension of up to 12 months beyond the current 60-month requirement for a full rate review by the Kansas Corporation Commission. A motion requesting the extension would have to be filed with the KCC, which would determine the reasonable or necessary length of the extension, up to 12 months.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The gas system reliability surcharge allows a natural gas utility to begin rate recovery of capital spent on certain types of projects prior to a full rate review by the KCC.

## **Background**

The introduced version of SB 224 concerned the gas service reliability surcharge. A representative of Black Hills Energy testified in support of the introduced version of the bill in the Senate Committee on Utilities on behalf of Black Hills Energy, Atmos Energy, and Kansas Gas Service. The Citizens' Utility Ratepayer Board (CURB) filed written testimony in support of the bill.

There was no testimony in opposition to the bill as introduced.

The House Committee on Energy and Utilities amended the contents of HB 2267 into the bill, and amended the title of SB 224 to read "AN ACT concerning utilities." HB 2267 would require the KCC to issue a biennial report on electric supply and demand for all electric utilities in Kansas.

A representative of the KCC testified in support of HB 2267 in the House Committee on Energy and Utilities. The Commission has generated this type of report intermittently over the years, including a version created for the Kansas Energy Council Electricity Committee in 2008.

There was no testimony in opposition to HB 2267.

The fiscal notes prepared by the Division of the Budget indicate that SB 224 as introduced would have no fiscal effect on either the KCC or CURB, and that HB 2267 would have a negligible fiscal effect on the KCC.