

SESSION OF 2005

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2465**

As Amended by House Committee on  
Utilities

**Brief\***

The bill would amend a statute that authorizes the Kansas Corporation Commission (Commission) to allow regulated electric utilities to recover, through a separate transmission delivery charge, costs associated with transmission of electricity. Under the bill, the Commission would have 120 business days from the time a utility files a completed application to establish a transmission delivery charge during which to issue its order adjusting the utility's retail rates. Existing law requires the sum of the adjusted retail rate and the transmission delivery charge to result in the same amount of revenue as the utility received prior to application of the transmission delivery charge.

The bill also would amend the statute to give the Commission 90 business days during which to review a utility's report of an increase in transmission-related costs necessitated by an order of a transmission regulatory body. Current law provides that those reports must be submitted to the Commission at least 30 business days prior to any such change in a utility's transmission delivery charge. The bill would provide that the Commission could require changes in the transmission delivery charge if it determines during the 90-day review period that any part of the new charge did not result from a regulatory order.

**Background**

The bill was supported at the House Utilities Committee hearing by a representative of Aquila Networks. Opponents who presented

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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>

testimony at the Committee's hearing included representatives of the Commission, the Citizens' Utility Ratepayer Board, and Westar Energy.

The House Committee amended the bill to:

- increase from 90 to 120 days the amount of time available to the Commission for issuing an order adjusting retail rates when a transmission delivery charge has been established;
- specify that the 120 day period is composed of "business days";  
and
- increase from 60 to 90 business days the length of time during which the Commission could issue an order change a transmission charge upon finding that a transmission delivery charge increase was not attributable to a regulatory order.

The fiscal note prepared by the Division of the Budget on the introduced version of the bill states that the bill would have a fiscal impact on the Commission which would need additional resources in order to issue orders within the 90 days that would have been required by the original bill. Those additional resources identified in the fiscal note included \$200,000 for consulting fees. According to the fiscal note, that amount would be assessed to utilities and deposited in the Public Service Regulation Fund. The fiscal note may not be relevant to the bill as amended by the House Committee.