

January 20, 2010

The Honorable Carl Holmes, Chairperson
House Committee on Energy and Utilities
Statehouse, Room 174-W
Topeka, Kansas 66612

Dear Representative Holmes:

SUBJECT: Fiscal Note for HB 2419 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2419 is respectfully submitted to your committee.

HB 2419 would specify new regulations regarding contracts between utilities and customers for the installation of renewable energy generation units and energy storage devices. The bill specifies what must be in each contract and further states that in the event of ownership change to property, all units or devices would remain with the property and not the customer. HB 2419 would also require that of the contracts with customers for the installation of renewable energy generation units, energy storage devices or both, 10.0 percent of the utility's total units be on the property of low income customers. "Low income" would be defined as those at 150.0 percent of the federal poverty level. The bill would allow public utilities to capitalize their costs incurred, which include, but are not limited to, the costs of equipment, financing, and earnings on investment.

The Kansas Corporation Commission indicates that the bill would have no direct fiscal effect on the agency; the bill, however, could increase rates for all customers of an individual public utility if they choose to capitalize the costs of equipment, financing, and earnings on investment.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Tom Day, KCC
Shonda Smith, CURB