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David W. Nickel, Consumer Counsel

Laura Kelly, Governor

MEMORANDUM

TO: Honorable Blaine Finch, Chairperson

Honorable Mark Schreiber, Vice-Chairperson

Honorable Annie Kuether, Ranking Minority Member

Members of the House Energy, Utilities and Telecommunications Committee

FROM: David Nickel, Consumer Counsel, Citizens' Utility Ratepayer Board (CURB)

RE: Senate Bill 417 DATE: March 7, 2022

Members of the House Energy, Utilities and Telecommunications Committee:

CURB is the advocate for residential and small commercial utility ratepayers in Kansas. As you are aware, CURB appears regularly before the Kansas Corporation Commission in utility rate cases and before the Kansas legislature on utility-related bills.

Please allow CURB to address a cost issue regarding Senate Bill 417. During the hearing of Senate Bill 417 by the Senate Committee on Agriculture and Natural Resources in February 2022, a question arose concerning its fiscal impact on utility ratepayers. Senator Francisco requested CURB to review the bill and to report to the Honorable Dan Kerschen, Chairperson of the Senate Committee on Agriculture and Natural Resources. CURB reviewed the bill, including its fiscal impact, and sent a memorandum to that committee on February 11, 2022. Hoping to be helpful, CURB wishes to send a similar memorandum to the House Energy, Utilities and Telecommunications Committee.

Senate Bill 417 is intended to allow the Kansas Department of Health and Environment (KDHE), as the alternative to the Environmental Protection Agency (EPA), to administer coal combustion residuals (CCR) regulation in Kansas. CURB agrees that local administration of CCR regulation is preferable to federal administration. CURB recognizes that to accomplish that goal, Senate Bill 417 will require additional full time employees at KDHE. CURB has reviewed the Fiscal Note prepared in connection with Senate Bill 417. Based upon that review, it is CURB's opinion that the cost of having KDHE delegated as the alternative to EPA to administer CCR regulation in Kansas would not raise utility rates to any meaningful degree. Moreover, CURB understands that the utilities that support SB 417 propose to absorb the pertinent employee costs, resulting in no increase to the fees charged to utility consumers.

Thank you for considering CURB's assessment of the benefit of Senate Bill 417 and its impact on utility consumers.

Respectfully,

David Nickel, Consumer Counsel CURB 1500 SW Arrowhead Road Topeka, Kansas 66604-4027 d.nickel@curb.kansas.gov (785) 271-3200