

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. All public utilities and common carriers are assessed and ordered to pay their respective amount to the Commission regarding the assessment for expenses of the Commission within fifteen (15) days after the date of the mailing of the notice of assessment.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 04/12/2018



Lynn M. Retz
Secretary to the Commission

AS

STATE OF KANSAS



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GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

REPORT AND RECOMMENDATION ADMINISTRATION AND FINANCE DIVISION

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Dwight D. Keen

FROM: Neysa Thomas

DATE: April 9, 2018

SUBJECT: FY 2018 – April 16th Quarterly Assessment

EXECUTIVE SUMMARY:

The Finance Division respectfully requests Commission approval of the April 16, 2018 Quarterly Assessment per K.S.A. 66-1503 (FY 2018- 4 QTR).

BACKGROUND:

K.S.A. 66-1503 – Ascertainment of expenditures by corporation commission; assessment; limitation; disposition of proceeds. (a) (1) The state corporation commission shall determine within 15 days after each quarter-year for each such quarter-year, the total amount of its expenditures during such period of time and the total amount of expenditures of the citizens' utility ratepayer board during such period of time. The total amount shall include the salaries of members and employees and all other lawful expenditures of the commission and the board, including all expenditures in connection with investigations or appraisals made under the provisions of K.S.A. 66-1502, and amendments thereto, except that there shall not be included in such total amount of expenditures for the purpose of this section the expenditures during such period of time which are otherwise provided for by fees and assessments made under other existing laws for the regulation of motor carriers or for administering the oil proration and the oil and gas conservation laws.

(2) From the amount determined under paragraph (1) of this subsection, the commission shall deduct (A) all amounts collected under K.S.A. 66-1502, and amendments thereto, during such period of time and (B) the amounts of all fees collected during such period of time under the provisions of subsection (b)(1) of K.S.A. 66-1a01, and amendments thereto.

(3) To the remainder after making the deductions under paragraph (2) of this subsection, the commission shall add such amount as in its judgment may be required to satisfy any deficiency in the prior assessment period's assessment and to provide for anticipated increases in necessary expenditures for the current assessment period.

(b) The amount determined under subsection (a) shall be assessed by the commission against all public utilities and common carriers subject to the jurisdiction of the commission and shall not exceed, during any fiscal year, the greater of \$100 or 0.2% [1/5 of 1% .002] of the respective utility's or common carrier's gross operating revenues derived from intrastate operation as reflected in the last annual report filed with the commission pursuant to K.S.A. 66-123, and amendments thereto, prior to the beginning of the commission's fiscal year or made available to the commission upon request. Such assessment shall be paid to the commission within 15 days after the notice of assessment has been mailed to such public utilities and common carriers, which notice of assessment shall constitute demand of payment thereof.

(c) The commission shall remit all moneys received by or for it for the assessment imposed under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Ten percent up to \$100,000 of each such deposit shall be credited to the state general fund and the balance shall be credited to the public service regulation fund.

ANALYSIS:

The quarterly assessment is based upon estimated expenditures/revenues for the ensuing quarter and actual expenditures/revenues for the past quarter and less amounts collected under K.S.A. 66-1502. Therefore, the assessment rate fluctuates up/down based on the following factors:

- Timing of certain expenditures
- Maintaining a limited cash balance for cash flow purposes
- Quarterly Reimbursable Revenues fluctuates (K.S.A. 66-1502)
- 10% up to \$100,000 to the State General Fund (K.S.A. 75-3170)
- Budget costs as appropriated by the Legislature/Governor

RECOMMENDATION:

The Finance Division requests Commission approval of the Quarterly Assessment of \$1,700,000. The invoices will be mailed on April 16, 2018.