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MEMORANDUM

To: Senate Committee on Utilities
From: Office of Revisor of Statutes
Date: January 22, 2026
Subject: Senate Bill 348 – As Introduced

Senate Bill 348 would exempt any electric public utility that is a not-for-profit, wholly owned subsidiary of an electric cooperative public utility from the jurisdiction of the state corporation commission.

The practical effect of SB 348 would be to exempt southern pioneer electric company from the oversight, jurisdiction and rate regulation of the Kansas corporation commission. Such electric company would instead be subject to oversight by the utility's parent electric cooperative, pioneer electric cooperative, inc.

SB 348 would provide the Kansas corporation commission with backstop authority to investigate any changes to the electric rates affecting southern pioneer. The customers of such utility would be authorized to file a petition signed by not less than 5% of the customers of such utility or 3% of the customers from any one rate class to seek commission review of rates. Such petition must be filed within one year following any change in rates. If the commission finds that any such rates are unjust, unreasonable or unduly preferential, the commission would be authorized to order and impose just and reasonable rates.

SB 348 would require such utility to provide not less than 10 days' notice to all customers of such utility of any meeting that will be held by such utility or the utility's parent cooperative pertaining to the utility's electric rates. The parent cooperative would be required to open any such meeting to the customers of such utility. Any failure to comply with these provisions could result in civil penalties or other enforcement mechanisms.

The utility would be prohibited from issuing any form of payment that is meant to transfer the equity of such utility unless otherwise approved by the commission. The commission

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would also retain authority over such utility regarding service territory, certificates of public convenience, local transmission charges, sales of power for resale except for sales between such utility and the generation and transmission cooperative that is partly owned by the utility's parent electric cooperative, wire stringing and transmission line siting.