

HOUSE BILL No. 2483

By Committee on Energy, Utilities and Telecommunications

Requested by Paul Snider on behalf of Kansans for Lower Electric Rates

1-21

1 AN ACT concerning energy; enacting the transparency and reform of
2 utility expenditures act; requiring the state corporation commission to
3 prepare and submit a report to the legislature regarding the electric
4 transmission projects recommended for construction by a regional
5 transmission organization; requiring the commission to provide weekly
6 notice of meetings that were held with stakeholders if such meetings
7 pertained to legislative or regulatory matters that may impact electric
8 rates; requiring the construction of certain transmission lines that are
9 directed by a regional transmission organization to be subject to
10 competitive bidding; prohibiting the commission and certain electric
11 public utilities from supporting any integrated transmission plan unless
12 such plan provides benefits to the state; authorizing sales of energy and
13 energy services pursuant to power purchase agreements and energy
14 storage service agreements; exempting such sales from the retail
15 electric suppliers act and public utility regulation; prohibiting
16 municipalities from imposing restrictions on the construction and
17 operation of nuclear energy facilities; prohibiting commissioners and
18 staff of the state corporation commission from being employed by a
19 public utility within one year following the date that such person ceased
20 to hold such position; requiring legislative approval prior to the
21 construction of any high-impact electric transmission line; requiring
22 members appointed to the citizens' utility ratepayer board to be subject
23 to senate confirmation; limiting the membership of the citizens' utility
24 ratepayer board from the same political party to not more than three
25 members; authorizing the consumer counsel of the citizens' utility
26 ratepayer board to represent the interests of residential and small
27 commercial ratepayers before the federal energy regulatory commission
28 and regional transmission organization; prohibiting electric public
29 utilities from changing the utility's transmission delivery charge and
30 requiring any such changes to be made in a general retail rate
31 proceeding; requiring the commission to provide notice to certain
32 legislative committees of matters that may lead to an increase in
33 electric rates pending before a regional transmission organization;
34 amending K.S.A. 66-1,170, 66-1,177, 66-1222, 66-1223 and 74-633
35 and K.S.A. 2025 Supp. 66-104, 66-1,178 and 66-1237 and repealing

1 the existing sections.

2 WHEREAS, This act shall be known and may be cited as the
3 transparency and reform of utility expenditures act.

4 Now, therefore:

5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) On or before January 31, 2027, and each January
7 31 thereafter, the state corporation commission shall prepare and submit a
8 report to the legislature, the senate committee on utilities and the house of
9 representatives committee on energy, utilities and telecommunications, or
10 any successor committees. Such report shall provide:

11 (1) A description and the estimated cost of each project that is
12 included in the final consolidated portfolio of the most recently approved
13 integrated transmission plan. Such report shall be organized by the
14 project's classification under such integrated transmission plan in the
15 following order: Reliability projects; winter weather projects; and
16 economic projects;

17 (2) a statement of whether the commission and the commission's
18 designated representative will support the project and a description of the
19 purported benefits and retail rate impacts to ratepayers in this state;

20 (3) a description of the efforts that the state corporation commission
21 and the commission's designated representative has undertaken or will
22 undertake to moderate the transmission-related costs to the lowest
23 reasonable amount;

24 (4) an overview of the commission's determination and plan
25 established pursuant to subsection (b); and

26 (5) a list of each project that was issued a notice to construct or notice
27 to construct with conditions by the regional transmission organization on
28 or after January 1, 2025, including the original estimated cost of the
29 project, the final cost of the project and the difference between the two
30 amounts.

31 (b) Prior to submitting the report required pursuant to this section, the
32 commission shall determine whether the anticipated transmission-related
33 costs identified pursuant to the integrated transmission plan are moderated
34 at the lowest reasonable amount. Such costs shall be determined to be
35 moderated at the lowest reasonable amount if such costs do not exceed
36 150% of the average annual transmission-related costs incurred for
37 projects directed by the regional transmission organization over the
38 immediately preceding 10 years as adjusted for inflation. If the
39 commission finds that such costs are not moderated at such amount, the
40 commission shall develop a plan for electric utilities to reduce financial
41 obligations to and participation in future transmission projects directed by
42 the regional transmission organization. The commission shall submit such

1 findings and plan to the regional transmission organization.

2 (c) As used in this section:

3 (1) "Designated representative" means the state corporation
4 commission's representative to a regional transmission organization.

5 (2) "Integrated transmission plan" means the integrated transmission
6 expansion plan that is approved by the regional transmission organization
7 and developed through a regional planning process built to leverage
8 knowledge of the transmission system's reliability, public policy,
9 operational and economic needs, as well as compliance, generator
10 interconnection and transmission service request impacts to develop a
11 near-term and long-term transmission portfolio over a 10-year planning
12 horizon.

13 (3) "Regional transmission organization" means a regional
14 transmission organization that is subject to the jurisdiction of the federal
15 energy regulatory commission.

16 New Sec. 2. (a) The state corporation commission shall provide
17 notice of any meeting that occurred regarding legislative or regulatory
18 matters that may impact electric rates if such meeting included a
19 representative of the commission, including any commissioner or
20 commission staff, and a representative of a public utility or other entity
21 who has a substantial interest in any such matter. The notice shall include:

22 (1) The name of each person that participated in the meeting;

23 (2) the entity that each such person is affiliated with; and

24 (3) a short summary of the topic and purpose of the meeting.

25 (b) Such notice shall be posted on the commission's website each
26 week and shall include all such meetings that occurred during the
27 preceding week. The commission shall maintain any such information
28 posted to the commission's website for not less than 60 days following the
29 day that such information was first posted.

30 New Sec. 3. (a) The state corporation commission or any electric
31 public utility that serves 5,000 retail electric customers or more in this
32 state shall not:

33 (1) Participate in or permit the construction of any transmission line
34 project that will be used to provide for the bulk transfer of 300 kilovolts or
35 more of electricity if the construction of such line is directed by a regional
36 transmission organization pursuant to a notice to construct or notice to
37 construct with conditions unless such transmission line project is subject to
38 a competitive bid process; or

39 (2) support in any manner an integrated transmission plan of a
40 regional transmission organization, unless such plan does not:

41 (A) Impose a net negative benefit upon the state of Kansas; or

42 (B) provide to any other state located within the region served by
43 such regional transmission organization a benefit that is equal to or

1 exceeds two times the benefit that the state of Kansas will receive.

2 (b) As used in this section, "integrated transmission plan" and
3 "regional transmission organization" mean the same as defined in section
4 1, and amendments thereto.

5 New Sec. 4. (a) Any person or entity may enter into a power purchase
6 agreement or energy storage service agreement with a distributed energy
7 supplier for the purpose of constructing, installing or placing in service an
8 eligible generation or storage facility to serve the energy needs of such
9 person or entity.

10 (b) (1) Except as provided in paragraph (2), the provisions of K.S.A.
11 66-1,184 and 66-1263 et seq., and amendments thereto, shall apply as such
12 provisions may be made applicable to the interconnection and operation of
13 an eligible generation or storage facility pursuant to a power purchase
14 agreement or energy storage service agreement under this section.
15 Notwithstanding the provisions of this paragraph, if any eligible
16 generation or storage facility is located or proposed to be located in the
17 retail electric service territory of any cooperative established pursuant to
18 K.S.A. 17-4601 et seq., and amendments thereto, subsidiary of any such
19 cooperative or municipally owned or operated electric utility, no sales shall
20 occur pursuant to a power purchase agreement or energy storage service
21 agreement unless the governing body of such cooperative, subsidiary or
22 municipal utility authorizes the eligible generation or storage facility to be
23 constructed, installed or placed in service within such retail electric service
24 territory.

25 (2) The provisions of K.S.A. 66-1,184 or 66-1263 et seq., and
26 amendments thereto, shall not apply to the interconnection and operation
27 of an eligible generation or storage facility if such facility is constructed,
28 installed or placed in service pursuant to a power purchase agreement or
29 energy storage service agreement that is executed between an owner or
30 operator of a new or expanded large load facility and a distributed energy
31 supplier. Notwithstanding the provisions of this paragraph, if any new or
32 expanded large load facility is located or proposed to be located in the
33 retail electric service territory of any cooperative established pursuant to
34 K.S.A. 17-4601 et seq., and amendments thereto, subsidiary of any such
35 cooperative or municipally owned or operated electric utility, no sales shall
36 occur pursuant to a power purchase agreement or energy storage service
37 agreement unless the governing body of such cooperative, subsidiary or
38 municipal utility authorizes the eligible generation or storage facility to be
39 constructed, installed or placed in service within such retail electric service
40 territory. Each utility described in this paragraph shall establish a
41 procedural process to accept and make determinations regarding
42 applications submitted pursuant to this subsection.

43 (c) Sales of energy and energy services pursuant to a power purchase

1 agreement or energy storage service agreement shall be subject to taxation
2 in accordance with the general tax law of the state, including the retailers'
3 sales tax imposed pursuant to K.S.A. 12-187 et seq., and amendments
4 thereto.

5 (d) As used in this section:

6 (1) "Distributed energy supplier" means any business entity and any
7 successor or assign of such business entity that transacts business in the
8 state for the purpose of constructing, installing or placing in service an
9 eligible generation or storage facility and selling the energy and energy
10 services associated with such eligible generation or storage facility
11 pursuant to a power purchase agreement or energy storage service
12 agreement.

13 (2) (A) "Electric generation facility" means any facility, device or
14 system of devices that is capable of generating or producing electricity
15 using any of the following resources or technologies:

16 (i) Renewable energy resources as defined in K.S.A. 66-1257, and
17 amendments thereto;

18 (ii) nuclear energy;

19 (iii) natural gas; or

20 (iv) hydrogen.

21 (B) "Electric generation facility" includes any ancillary energy
22 storage system that is appurtenant to an electric generation facility.

23 (3) (A) "Eligible generation or storage facility" means any electric
24 generation facility or energy storage system that is:

25 (i) Installed, owned or operated by a distributed energy supplier
26 pursuant to the terms and conditions of a power purchase agreement or
27 energy storage service agreement;

28 (ii) colocated on premises owned, operated, leased or otherwise
29 controlled by the person or entity that contracts for such facility or system
30 pursuant to a power purchase agreement or energy storage service
31 agreement; and

32 (iii) designed to offset part or all of such person or entity's expected
33 electrical load.

34 (B) "Eligible generation or storage facility" does not include a nuclear
35 energy facility where the nuclear reactors are located 500 feet or more
36 below ground level.

37 (4) "Energy storage service agreement" means a contractual
38 agreement between a distributed energy supplier and a person or entity that
39 sets forth terms and conditions in which:

40 (A) The distributed energy supplier agrees to install, own and operate
41 an energy storage system on premises owned, operated, leased or
42 otherwise controlled by such person or entity to serve the energy needs of
43 such person or entity; and

1 (B) such person or entity agrees to purchase the energy discharged by
2 such system or other associated services for a specific period of time.

3 (5) "Energy storage system" means any facility, device or system of
4 devices that uses mechanical, chemical or thermal processes to charge,
5 collect, store or absorb energy and then discharge such energy at a later
6 time to:

7 (A) Provide electricity, generate electricity or provide other energy
8 services, including balancing energy demand or reducing peak electrical
9 demand; or

10 (B) use directly in heating or cooling applications in a manner that
11 reduces or avoids the need to use electricity for such applications.

12 (6) "New or expanded large load facility" means any:

13 (A) New commercial or industrial facility that commences
14 commercial or industrial operations in the state on or after July 1, 2026,
15 and the monthly maximum electrical demand of such facility is reasonably
16 expected to be 25 megawatts or more; or

17 (B) existing commercial or industrial facility that commenced
18 commercial or industrial operations in the state prior to July 1, 2026, and
19 the monthly maximum electrical demand of such facility is reasonably
20 expected to increase by 25 megawatts or more on or after July 1, 2026.

21 (7) "Power purchase agreement" means a contractual agreement
22 between a distributed energy supplier and a person or entity that sets forth
23 terms and conditions in which:

24 (A) The distributed energy supplier agrees to install, own and operate
25 an electric generation facility on premises owned, operated, leased or
26 otherwise controlled by such person or entity to serve the energy needs of
27 such person or entity; and

28 (B) such person or entity agrees to purchase the energy produced by
29 such facility or other associated services for a specific period of time.

30 New Sec. 5. (a) A municipality shall not impose any ordinance,
31 resolution, code, rule, provision, standard permit, plan or any other binding
32 action that prohibits, discriminates against, restricts, limits, impairs, or has
33 the effect thereof, the construction and operation of a nuclear energy
34 facility.

35 (b) As used in this section:

36 (1) "Municipality" means any city, county or township, or other
37 political or taxing subdivision thereof, or any board, bureau, commission,
38 committee, department or division, or other agency thereof.

39 (2) "Nuclear energy facility" means a facility that generates electric
40 or thermal energy through nuclear fission or fusion, including advanced
41 reactors, small modular reactors, microreactors and associated fuel-cycle
42 and thermal-storage systems. "Nuclear energy facility" does not include
43 any facility where the nuclear reactors are located 500 feet or more below

1 ground level.

2 New Sec. 6. No former commissioner, director, officer or employee
3 of the state corporation commission shall accept employment or receive
4 compensation from any public utility as defined in K.S.A. 66-104, and
5 amendments thereto, within 365 days after such former commissioner,
6 director, officer or employee has ceased to hold such position with the
7 commission.

8 Sec. 7. K.S.A. 2025 Supp. 66-104 is hereby amended to read as
9 follows: 66-104. (a) As used in this act, "public utility" means every
10 corporation, company, individual, association of persons, their trustees,
11 lessees or receivers, that now or hereafter may own, control, operate or
12 manage, except for private use, any equipment, plant or generating
13 machinery, or any part thereof, for the transmission of telephone messages
14 or for the transmission of telegraph messages in or through any part of the
15 state, or the conveyance of oil and gas through pipelines in or through any
16 part of the state, except pipelines less than 15 miles in length and not
17 operated in connection with or for the general commercial supply of gas or
18 oil, and all companies for the production, transmission, delivery or
19 furnishing of heat, light, water or power. No cooperative, cooperative
20 society, nonprofit or mutual corporation or association that is engaged
21 solely in furnishing telephone service to subscribers from one telephone
22 line without owning or operating its own separate central office facilities,
23 shall be subject to the jurisdiction and control of the commission as
24 provided in this section, except that it shall not construct or extend its
25 facilities across or beyond the territorial boundaries of any telephone
26 company or cooperative without first obtaining approval of the
27 commission. "Transmission of telephone messages" includes the
28 transmission by wire or other means of any voice, data, signals or
29 facsimile communications, including all such communications now in
30 existence or as may be developed in the future.

31 (b) "Public utility" includes that portion of every municipally owned
32 or operated electric or gas utility located in an area outside of and more
33 than three miles from the corporate limits of such municipality, but
34 regulation of the rates, charges, terms and conditions of service of such
35 utility within such area shall be subject to commission regulation only as
36 provided in K.S.A. 66-104f, and amendments thereto. Nothing in this act
37 shall apply to a municipally owned or operated utility, or portion thereof,
38 located within the corporate limits of such municipality or located outside
39 of such corporate limits but within three miles thereof.

40 (c) Except as provided in this section, the power and authority to
41 control and regulate all public utilities and common carriers situated and
42 operated wholly or principally within any city or principally operated for
43 the benefit of such city or its people, shall be vested exclusively in such

1 city, subject only to the right to apply for relief to the corporation
2 commission as provided in K.S.A. 66-133, and amendments thereto, and to
3 the provisions of K.S.A. 66-104e, and amendments thereto. A transit
4 system principally engaged in rendering local transportation service in and
5 between contiguous cities in this and another state by means of street
6 railway, trolley bus and motor bus lines, or any combination thereof, shall
7 be deemed to be a public utility as that term is used in this act and shall be
8 subject to the jurisdiction of the commission.

9 (d) "Public utility" does not include any activity of:
10 (1) An otherwise jurisdictional corporation, company, individual,
11 association of persons, their trustees, lessees or receivers as to the
12 marketing or sale of:

13 (1)(A) Compressed natural gas for end use as motor vehicle fuel; or
14 (2)(B) electricity that is purchased through a retail electric supplier in
15 the certified territory of such retail electric supplier, as such terms are
16 defined in K.S.A. 66-1,170, and amendments thereto, for the sole purpose
17 of the provision of electric vehicle charging service to end users; or

18 (2) *a distributed energy supplier with respect to such supplier's
19 association with an eligible generation or storage facility under the
20 provisions of section 4, and amendments thereto.*

21 (e) (1) Except as provided in paragraph (2), at the option of an
22 otherwise jurisdictional entity, "public utility" does not include any activity
23 or facility of such entity as to the generation, marketing and sale of
24 electricity generated by an electric generation facility or addition to an
25 electric generation facility that:

26 (A) Is newly constructed and placed in service on or after January 1,
27 2001; and

28 (B) is not in the rate base of:

29 (i) An electric public utility that is subject to rate regulation by the
30 state corporation commission;

31 (ii) any cooperative, as defined by K.S.A. 17-4603, and amendments
32 thereto, or any nonstock member-owned cooperative corporation
33 incorporated in this state; or

34 (iii) a municipally owned or operated electric utility.

35 (2) The provisions of this subsection shall not be construed to affect
36 the authority of the state corporation commission to regulate any activity
37 or facility of an otherwise jurisdictional entity with regard to wire stringing
38 pursuant to K.S.A. 66-183 et seq., and amendments thereto.

39 (f) Additional generating capacity achieved through efficiency gains
40 by refurbishing or replacing existing equipment at generating facilities
41 placed in service before January 1, 2001, shall not qualify under
42 subsection (e).

43 (g) For purposes of the authority to appropriate property through

1 eminent domain, "public utility" does not include any activity for the siting
2 or placement of:

3 (1) Wind powered electrical generators or turbines, including the
4 towers; or

5 (2) solar powered electric generation equipment, including panels.

6 Sec. 8. K.S.A. 66-1,170 is hereby amended to read as follows: 66-
7 1,170. As used in this act:

8 (a) "Distribution line" means an electric line used to furnish retail
9 electric service, including any line from a distribution substation to an
10 electric consuming facility; ~~but such term~~. "Distribution line" does not
11 include a transmission facility used for the bulk transfer of energy even if
12 such energy is reduced in voltage and used as station power.

13 (b) "Electric consuming facility" means any entity ~~which that~~ utilizes
14 electric energy from a central station service.

15 (c) "Commission" means the state corporation commission of the
16 state of Kansas.

17 (d) "Retail electric supplier" means any person, firm, corporation,
18 municipality, association or cooperative corporation engaged in the
19 furnishing of retail electric service. "Retail electric supplier" does not
20 include the activity of a distributed energy supplier with respect to such
21 supplier's association with an eligible generation or storage facility under
22 the provisions of section 4, and amendments thereto.

23 (e) "Certified territory" means an electric service territory certified to
24 a retail electric supplier pursuant to this act.

25 (f) "Existing distribution line" means a distribution line ~~which that~~ is
26 in existence on the effective date of this act; and ~~which~~ is being or has
27 been used as such.

28 (g) "Single certified service territory" means that service area ~~in~~
29 ~~which where~~ only one retail electric supplier has been granted a service
30 certificate by the commission.

31 (h) "Dual certified service territory" means that service area where
32 more than one retail electric supplier has been granted a service certificate
33 by the commission.

34 (i) "Station power" means electric energy used for operating
35 equipment necessary for the process of generating electricity at any
36 generating plant owned by a utility or a generating plant specified in
37 ~~subsection (e) of~~ K.S.A. 66-104(e), and amendments thereto, and placed in
38 use on or after January 1, 2002, whether such electrical energy is generated
39 at such generating plant or provided through the adjacent transformation
40 and transmission interconnect; ~~but~~. "Station power" does not include
41 electric energy used for heating, lighting, air conditioning and office needs
42 of the buildings at a generating plant site.

43 Sec. 9. K.S.A. 66-1,177 is hereby amended to read as follows: 66-

1,177. As used in this act, the following terms shall have the meanings ascribed to them herein:

(a) "Electric utility" means every public utility, as defined by K.S.A. 66-104, ~~which and amendments thereto, that~~ owns, controls, operates or manages any equipment, plant or generating machinery for the production, transmission, delivery or furnishing, of electricity or electric power;

(b) "Electric transmission line" means any line or extension of a line ~~which that~~ is at least five ~~(5)~~ miles in length and ~~which is~~ used for the bulk transfer of ~~two hundred thirty~~ (230) kilovolts or more of electricity;

(c) "Commission" means the state corporation commission.

(d) "High-impact electric transmission line" means any line or extension of a line that is at least one mile in length and used for the bulk transfer of greater than 345 kilovolts of electricity.

Sec. 10. K.S.A. 2025 Supp. 66-1,178 is hereby amended to read as follows: 66-1,178. (a) No electric utility may begin site preparation for or construction of an electric transmission line; or exercise the right of eminent domain to acquire any interest in land in connection with the site preparation for construction of any such line without:

(1) First acquiring a siting permit from the commission; and

(2) if such line is a high-impact electric transmission line, also acquiring the approval of the legislature in accordance with subsection (c).

(b) (1) Whenever any electric utility desires to obtain such a *siting* permit, the utility shall file an application with the commission setting forth therein that the utility proposes to construct an electric transmission line and specifying:

(1)(A) The proposed location thereof;

(2)(B) the names and addresses of the landowners of record whose land or interest therein is proposed to be acquired in connection with the construction of or is located within 660 feet of the center line of the easement where the line is proposed to be located; and

(3)(C) such other information as may be required by the commission.

(b)(2) Upon the filing of an application pursuant to this subsection (a), the commission shall fix a time for a public hearing on such application, which shall be not more than 90 days after the date that the application was filed, to determine the necessity for and the reasonableness of the location of the proposed electric transmission line. The commission shall fix the place for hearing, which shall be in one of the counties through which the electric transmission line is proposed to traverse.

(e)(3) The commission may conduct an evidentiary hearing on an application filed pursuant to this section at such time and place as the commission deems appropriate.

(d)(4) The commission shall issue a final order on the application

1 within 180 days after the date that the application was filed.

2 (c) (1) *In addition to obtaining a siting permit from the commission, a*
3 *high-impact electric transmission line shall not be constructed in the state*
4 *unless the electric utility proposing to construct such line obtains the*
5 *approval of the legislature pursuant to this subsection. Within 30 days*
6 *following the commission's issuance of a siting permit for a high-impact*
7 *electric transmission line, the electric utility proposing such transmission*
8 *line shall submit written notice of such issuance to the legislature. Such*
9 *notice shall contain:*

10 (A) *A description of the high-impact electric transmission line,*
11 *including the proposed timeline, location and route;*

12 (B) *the reasons why such high-impact electric transmission line is*
13 *needed or necessary;*

14 (C) *the anticipated and maximum cost to construct such high-impact*
15 *electric transmission line;*

16 (D) *a copy of the application submitted to the commission pursuant*
17 *to subsection (b);*

18 (E) *a copy of the commission's order granting the transmission line*
19 *siting permit; and*

20 (F) *any other information that the electric utility deems necessary or*
21 *relevant.*

22 (2) *Legislative approval may be granted pursuant to an act of the*
23 *legislature or adoption of a concurrent resolution that approves of the*
24 *construction of the high-impact electric transmission line. Such approval*
25 *may be granted at any time. The legislature's failure to act on any notice*
26 *submitted pursuant to this section shall not be construed to establish such*
27 *legislative approval.*

28 Sec. 11. K.S.A. 66-1222 is hereby amended to read as follows: 66-
29 1222. (a) There is hereby established a citizens' utility ratepayer board,
30 which shall consist of five members appointed by the governor. *On and*
31 *after July 1, 2026, any person appointed to the board shall be subject to*
32 *confirmation by the senate as provided in K.S.A. 75-4315b, and*
33 *amendments thereto. Not more than three members shall belong to the*
34 *same political party.* Subject to the provisions of K.S.A. 75-4315c, and
35 *amendments thereto, the governor shall appoint one member from each*
36 *congressional district and the remainder from the state at large. The*
37 *members of the board shall serve for a term of four years. All vacancies in*
38 *office of members so appointed shall be filled by appointment by the*
39 *governor for the unexpired term of the member creating the vacancy.*

40 (b) The board shall organize annually by the election from its
41 membership of a chairperson and shall adopt such rules of procedure as
42 the board deems necessary for conducting its business.

43 (c) The board shall hold such meetings as in its judgment may be

1 necessary for the performance of its powers, duties and functions.
2 Appointive members of the board shall receive compensation, subsistence
3 allowances, mileage and other expenses for attending meetings of the
4 board as provided by K.S.A. 75-3223, and amendments thereto.

5 (d) The state corporation commission shall provide such technical
6 and clerical staff assistance as may be requested by the board in the
7 administration of the provisions of this act.

8 (e) The board shall administer this act and shall have and may
9 exercise the following powers, duties and functions:

10 (1) Employ an attorney as a consumer counsel;

11 (2) guide the activities of the consumer counsel; and

12 (3) recommend legislation to the legislature ~~which that~~, in the board's
13 judgment, would positively affect the interests of utility consumers.

14 Sec. 12. K.S.A. 66-1223 is hereby amended to read as follows: 66-
15 1223. The consumer counsel may ~~do the following~~:

16 (a) Represent residential and small commercial ratepayers before the
17 state corporation commission;

18 (b) ~~function as an official intervenor~~ *intervene* in cases filed with the
19 state corporation commission, including rate increase requests;

20 (c) initiate actions before the state corporation commission;

21 (d) represent residential and *small* commercial ratepayers who file
22 formal utility complaints with the state corporation commission;

23 (e) ~~intervene in formal complaint cases~~ *which that* would affect
24 *residential and small commercial* ratepayers; ~~and~~

25 (f) make application for a rehearing or seek judicial review of any
26 order or decision of the state corporation commission;

27 (g) *represent the interests of residential and small commercial*
28 *ratepayers by participating or intervening in federal energy regulatory*
29 *commission proceedings; and*

30 (h) *represent the interests of residential and small commercial*
31 *ratepayers by becoming a member of or participating in matters*
32 *considered by a regional transmission organization.*

33 Sec. 13. K.S.A. 2025 Supp. 66-1237 is hereby amended to read as
34 follows: 66-1237. (a) Any electric utility subject to the regulation of the
35 state corporation commission pursuant to K.S.A. 66-101, and amendments
36 thereto, may seek to recover costs associated with transmission of electric
37 power, in a manner consistent with the ~~determination of transmission-~~
38 ~~related costs from an order of a regulatory authority having legal~~
39 ~~jurisdiction provisions of this section,~~ through a separate transmission
40 delivery charge included in customers' bills. The electric utility's initial
41 transmission delivery charge resulting from this section may be
42 determined by the commission either from transmission-related costs
43 approved in the electric utility's most recent retail rate filing or in an order

1 establishing rates in response to a general retail rate application by an
2 electric utility.

3 (b) (1) If an electric utility elects to recover its transmission-related
4 costs through a transmission delivery charge, such electric utility shall
5 have the right to implement a transmission delivery charge through an
6 application to the commission.

7 (2) If an electric utility proposes to establish its initial transmission
8 delivery charge other than in connection with an application to the
9 commission that proposes a general retail rate change the commission
10 shall, effective the same date as the effective date of the initial
11 transmission delivery charge, unbundle the electric utility's retail rates in
12 such a manner that the sum of the revenue to be recovered from the initial
13 transmission delivery charge and the non-transmission-related retail rates
14 will be consistent with the revenue that would be recovered from the retail
15 rates in effect immediately prior to the effective date of the initial
16 transmission delivery charge.

17 (3) If an electric utility proposes to establish its initial transmission
18 delivery charge in connection with an application to the commission for a
19 general retail rate change, the commission shall, in its order in such rate
20 proceeding, determine the electric utility's transmission-related costs
21 related to its service to Kansas retail customers and determine an initial
22 transmission delivery charge sufficient to permit the electric utility to
23 recover from its Kansas retail customers such utility's transmission-related
24 costs incurred to provide service to such customers.

25 (c) ~~Except as provided in subsection (d), all transmission related costs~~
26 ~~incurred by an electric utility and resulting from any order of a regulatory~~
27 ~~authority having legal jurisdiction over transmission matters, including~~
28 ~~orders setting rates on a subject-to-refund basis, shall be conclusively~~
29 ~~presumed prudent for purposes of the transmission delivery charge and an~~
30 ~~electric utility may change its transmission delivery charge whenever there~~
31 ~~is a change in transmission related costs resulting from such an order. The~~
32 ~~commission may also order such a change if the utility fails to do so. An~~
33 ~~electric utility shall submit a report to the commission at least 30 business~~
34 ~~days before changing the utility's transmission delivery charge. If the~~
35 ~~commission subsequently determines that all or part of such charge did not~~
36 ~~result from an order described by this subsection, the commission may~~
37 ~~require changes in the transmission delivery charge and impose~~
38 ~~appropriate remedies, including refunds.~~ (1) *On and after July 1, 2026, an*
39 *electric utility shall not change such utility's transmission delivery charge*
40 *whenever there is a change in any transmission-related costs that are:*

41 (A) *Ordered or imposed by a regional transmission organization,*
42 *independent system operator or any other entity that is regulated by the*
43 *federal energy regulatory commission or other federal agency; or*

1 (B) associated with transmission facilities constructed as a result of
2 such utility's internal or local planning processes absent a notification to
3 construct or similar directive from a regional transmission organization,
4 independent system operator or other entity that is regulated by the
5 federal energy regulatory commission or other federal agency.

6 (2) An electric utility may only request to change the utility's
7 transmission delivery charge to recover any transmission-related costs
8 described in paragraph (1) in a general retail rate proceeding application
9 filed with the commission pursuant to K.S.A. 66-117, and amendments
10 thereto. Upon a filing of any such application, the commission may order
11 a change to such utility's transmission delivery charge to authorize
12 recovery of such transmission-related costs in accordance with the
13 provisions of K.S.A. 66-117, and amendments thereto.

14 (d) (1) Subject to the provisions of subsection (c), a for-profit,
15 investor-owned electric utility serving more than 20,000 customers in
16 Kansas that elects to recover such utility's transmission-related costs
17 through a transmission delivery charge pursuant to this section may
18 include, as a component of such charge, the following:

19 (A) All transmission-related costs associated with transmission
20 facilities constructed as a result of a notification to construct or similar
21 directive from a regional transmission organization or independent system
22 operator that is regulated by the federal energy regulatory commission, or
23 any successor agency; and

24 (B) all fees and costs imposed on the electric utility in connection
25 with the operation of wholesale power markets by a regional transmission
26 organization, independent system operator or other entity that is regulated
27 by the federal energy regulatory commission, other federal agency or any
28 successor federal agency.

29 (2) Subject to the provisions of subsection (c), a for-profit, investor-
30 owned electric utility serving more than 20,000 customers in Kansas may
31 recover, as a component of a transmission delivery charge, transmission-
32 related costs associated with transmission facilities constructed as a result
33 of such utility's internal or local planning processes absent a notification to
34 construct or similar directive from a regional transmission organization or
35 independent system operator that is regulated by the federal energy
36 regulatory commission, or any successor agency, subject to such utility's
37 compliance with subsections (e) and (f).

38 (e) To recover the costs described in subsection (d)(2) as a component
39 of a transmission delivery charge and to facilitate commissioner and
40 commission-authorized intervenor review, a utility shall make a
41 compliance filing with the commission prior to the time period provided
42 pursuant to subsection (f) for the commission to adjust the return on equity
43 relating to such costs. A compliance filing shall include all the compliance

1 filing details required by this subsection. Such utility shall continue to
2 make annual compliance filings to the commission. Each compliance
3 filing shall provide the following:

4 (1) For each non-blanket work order transmission project over
5 \$15,000,000, or a different amount deemed necessary by the commission
6 staff in consultation with the filing utility, an itemization of projected
7 transmission spending for the succeeding calendar year and the second
8 succeeding calendar year. The commission may expect a utility to provide
9 more extensive details for transmission projects in the succeeding calendar
10 year than for the second succeeding calendar year, but the utility shall
11 provide as many details as reasonably possible for transmission projects in
12 the second succeeding calendar year;

13 (2) for each transmission project:
14 (A) A project identifier or name;
15 (B) the anticipated in-service date;
16 (C) the projected cost;
17 (D) the specific location within the utility's system;
18 (E) whether the project is classified as a new build, rebuild, upgrade
19 or any other appropriate classification;
20 (F) a description providing the purpose for the project and the
21 anticipated reliability benefits;
22 (G) a description of the original vintage of the replaced facilities if
23 the project is classified as a rebuild or upgrade; and
24 (H) the load additions or economic development benefits
25 accommodated by the project, if any; and
26 (3) a proposed date and time for:
27 (A) Representatives of the public utility to conduct a technical
28 conference for the purpose of discussing the details of the compliance
29 filing with commission staff, the citizens utility ratepayer board and other
30 commission-authorized intervenors. Such technical conference shall be
31 held not later than 90 days after the utility filed the compliance filing; and
32 (B) the commission to hold a public workshop in which
33 representatives of the public utility shall present the details associated with
34 the transmission projects that are anticipated in the succeeding calendar
35 year. The public workshop shall allow for questions and comments from
36 the commission, commission staff and other commission-authorized
37 intervenors. The public workshop shall be held not later than 120 days
38 after the utility filed the compliance filing.
39 (f) Beginning January 1, 2024, and prior to April 1, 2024, for any
40 utility electing to recover the costs described in subsection (d)(2), the
41 commission shall adjust the return on equity used to determine the revenue
42 requirement of such costs from the federal energy regulatory commission's
43 jurisdictional return on equity to the state corporation commission's

1 authorized return on equity last used to set the utility's base rates in effect
2 at the time of filing the transmission delivery charge update. If a return on
3 equity was not explicitly established during the utility's last general rate
4 case, the commission shall determine an appropriate return on equity from
5 the record of the last general rate case to establish the revenue requirement
6 for such costs. The use of the state corporation commission's authorized
7 return on equity shall not impact any project that was constructed as a
8 result of a notification to construct or similar directive from a regional
9 transmission organization or independent system operator that is regulated
10 by the federal energy regulatory commission, or any successor agency. In
11 any transmission delivery charge update filing, a utility electing to recover
12 the costs described in subsection (d)(2) shall utilize the state corporation
13 commission's authorized return on equity that was used to set the utility's
14 base rates in effect at the time of the update filing or that was stipulated
15 and approved by the commission for use in the transmission delivery
16 charge if a return on equity was not explicitly set during the last general
17 rate case, to determine the utility's transmission delivery charge update.

18 Sec. 14. K.S.A. 74-633 is hereby amended to read as follows: 74-633.
19 (a) The state corporation commission *may designate a representative to* represent the interests of the state in any regional transmission
20 organization recognized by the federal energy regulatory commission of
21 which one or more Kansas electric public utilities is a member. *Except as*
22 *provided in subsection (b), such designated representative is hereby* authorized to participate fully in all decision-making bodies of such
23 regional transmission organization, whether the decision of such bodies are
24 advisory to or binding on the regional transmission authorization.

25 (b) *On and after July 1, 2026, before the commission's designated* representative acts as a voting member upon any matter that may lead to
26 *an increase in electric rates for retail ratepayers in Kansas, without* regard to whether the decision may be advisory to or binding upon the
27 regional transmission organization, the commission's representative shall
28 provide notice of such matter to the senate committee on utilities and the
29 house of representatives committee on energy, utilities and
30 telecommunications, or any successor committees. Such notice shall
31 provide a reasonable description of the matter that will be considered by
32 the decision-making body of the regional transmission organization, the
33 anticipated impact on electric rates to the retail ratepayers in Kansas and
34 a rationale on whether and why the commission's representative will
35 support or not support such matter.

36 (b)(c) Nothing in this section shall limit the state corporation
37 commission's regulatory jurisdiction or authority to appeal to the federal
38 energy regulatory commission any decision by a regional transmission
39 organization or relieves the commission of its obligation and authority to

- 1 ensure electric public utilities provide efficient and sufficient service.
- 2 Sec. 15. K.S.A. 66-1,170, 66-1,177, 66-1222, 66-1223 and 74-633
- 3 and K.S.A. 2025 Supp. 66-104, 66-1,178 and 66-1237 are hereby repealed.
- 4 Sec. 16. This act shall take effect and be in force from and after its
- 5 publication in the statute book.