

## SENATE BILL No. 348

By Committee on Utilities

1-21

1 AN ACT concerning the state corporation commission; relating to the  
2 jurisdiction of the commission over electric public utilities; exempting  
3 any electric public utility that is a not-for-profit wholly owned  
4 subsidiary of an electric cooperative public utility from the jurisdiction  
5 of the state corporation commission; establishing certain exceptions;  
6 authorizing the customers of such subsidiary utility to petition the  
7 commission to investigate the rates of such utility; authorizing the  
8 commission to order new rates if the commission finds that such rates  
9 are found to be unjust, unreasonable, unjustly discriminatory or unduly  
10 preferential; requiring the customers of such subsidiary utility to  
11 receive notice of and be provided access to meetings concerning  
12 electric rates.  
13

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

15 Section 1. (a) Except as otherwise provided in this section, an electric  
16 public utility shall not be subject to the jurisdiction, regulation, supervision  
17 and control of the state corporation commission if such electric public  
18 utility:

19 (1) Is a not-for-profit wholly owned subsidiary of a corporation  
20 organized under the electric cooperative act, K.S.A. 17-4601 et seq., and  
21 amendments thereto; and

22 (2) provides retail electric service to customers in this state.

23 (b) (1) Notwithstanding an electric public utility's exemption from the  
24 jurisdiction of the state corporation commission pursuant to this section,  
25 the commission shall investigate all rates, joint rates, tolls, charges and  
26 exactions, classifications and schedules of rates of such electric public  
27 utility if there is filed with the commission, not more than one year after a  
28 change in such utility's rates, joint rates, tolls, charges and exactions,  
29 classifications or schedules of rates, a petition signed by not less than 5%  
30 of such electric public utility's customers or 3% of the electric public  
31 utility's customers from any one rate class. If, after investigation, the  
32 commission finds that such rates, joint rates, tolls, charges or exactions,  
33 classifications or schedules of rates are unjust, unreasonable, unjustly  
34 discriminatory or unduly preferential, the commission shall have the  
35 power to fix and order substitutions to such rates, joint rates, tolls, charges  
36 and exactions, classifications or schedules of rates as are just and

1 reasonable.

2       (2) The rates, joint rates, tolls, charges and exactions, classifications  
3 or schedules of rates under investigation shall remain in effect subject to  
4 change or refund pending the state corporation commission's investigation  
5 and final order.

6       (3) Any customer of the electric public utility that seeks to petition  
7 the commission pursuant to subsection (b)(1) may request from such  
8 utility the names, addresses and rate classifications of all the utility's  
9 customers or the utility's customers from any one or more rate classes. A  
10 utility, within 21 days after receipt of such a request, shall furnish to such  
11 customer the requested names, addresses and rate classifications and may  
12 require such customer to pay the reasonable costs thereof.

13       (c) An electric public utility exempt from the jurisdiction of the state  
14 corporation commission pursuant to this section shall provide not less than  
15 10 days' notice of the time and place of any meeting of the utility or the  
16 utility's parent cooperative at which rate changes are to be discussed and  
17 voted on. Such notice shall be given to all retail electric customers of such  
18 utility. If the meeting is held by the utility's parent cooperative, the parent  
19 cooperative shall open such meeting to the customers of such utility.  
20 Violations of this subsection shall be subject to civil penalties and  
21 enforcement in the same manner as provided by K.S.A. 75-4320 and 75-  
22 4320a, and amendments thereto, for violations of K.S.A. 75-4317 et seq.,  
23 and amendments thereto.

24       (d) An electric public utility exempt from the jurisdiction of the state  
25 corporation commission pursuant to this section shall maintain a schedule  
26 of rates and charges at the utility's headquarters and make copies of such  
27 schedule of rates and charges available to the general public during regular  
28 business hours. If such a utility fails, neglects or refuses to maintain copies  
29 of such schedule of rates and charges pursuant to this subsection, the  
30 commission may impose a civil penalty of not more than \$500 for each  
31 such violation.

32       (e) Notwithstanding any provision of law to the contrary, an electric  
33 public utility exempt from the jurisdiction of the state corporation  
34 commission pursuant to this section shall not issue any dividend payments,  
35 stock repurchase or direct cash payment that is meant to transfer the equity  
36 of the electric public utility to the utility's parent cooperative without the  
37 approval of the commission.

38       (f) Notwithstanding any provision of law to the contrary, an electric  
39 public utility exempt from the jurisdiction of the state corporation  
40 commission pursuant to this section shall be subject to the provisions of  
41 the renewable energy standards act.

42       (g) Nothing in this section shall be construed to affect the authority of  
43 the state corporation commission, as otherwise provided by law, over an

1 electric public utility exempt from the jurisdiction of the commission  
2 pursuant to this section, including, but not limited to, the authority vested  
3 in the commission with respect to:

4 (1) Service territory pursuant to K.S.A. 66-1,170 et seq., and  
5 amendments thereto;

6 (2) certificates of public convenience and necessity pursuant to  
7 K.S.A. 66-131, and amendments thereto;

8 (3) charges, fees or tariffs for transmission services, except any such  
9 charges, fees or tariffs for transmission services that are approved by the  
10 federal energy regulatory commission and recovered through an open  
11 access transmission tariff of a regional transmission organization;

12 (4) sales of power for resale, other than sales between:

13 (A) An electric public utility that does not provide retail electric  
14 service in the state and is owned and governed by four or more  
15 corporations organized under the electric cooperative act, K.S.A. 17-4601  
16 et seq., and amendments thereto, one of which corporations shall be the  
17 parent corporation of the electric public utility exempt from the  
18 jurisdiction of the state corporation commission pursuant to this section;  
19 and

20 (B) the electric public utility that is exempt from the jurisdiction of  
21 the state corporation commission pursuant to this section;

22 (5) wire stringing pursuant to K.S.A. 66-183, and amendments  
23 thereto;

24 (6) transmission line siting pursuant to K.S.A. 66-1,177 et seq., and  
25 amendments thereto; or

26 (7) petitioning for relief pursuant to K.S.A. 66-144, and amendments  
27 thereto.

28 Sec. 2. This act shall take effect and be in force from and after its  
29 publication in the Kansas register.