

**SENATE BILL No. 145**

By Committee on Utilities

2-11

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1 AN ACT concerning boards of public utilities; regulation of rates by the  
2 state corporation commission, when; notice to customers; amending  
3 K.S.A. 13-1228a, 66-104 and 66-1,174 and repealing the existing  
4 sections.

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

7 New Section 1. (a) The state corporation commission shall investigate  
8 all rates, joint rates, tolls, charges and exactions, classifications and  
9 schedules of rates of a board of public utilities established under K.S.A.  
10 13-1220, and amendments thereto, if there is filed with the commission,  
11 not more than one year after a change in such board's rates, joint rates,  
12 tolls, charges and exactions, classifications or schedules of rates, a petition  
13 signed by not less than 5% of all of the board's customers or 3% of the  
14 board's customers from any one rate class. If, after investigation, the  
15 commission finds that such rates, joint rates, tolls, charges or exactions,  
16 classifications or schedules of rates are unjust, unreasonable, unjustly  
17 discriminatory or unduly preferential, the commission shall have the  
18 power to fix and order substituted rates, joint rates, tolls, charges and  
19 exactions, classifications or schedules of rates that are just and reasonable.

20 (b) Any of the board of public utilities' rates, joint rates, tolls, charges  
21 and exactions, classifications or schedules of rates petitioned pursuant to  
22 subsection (a) shall remain in effect subject to change or refund pending  
23 the state corporation commission's investigation and final order.

24 (c) Any board of public utilities customer wishing to petition the  
25 commission pursuant to subsection (a) may request that the board provide  
26 the names, addresses and rate classifications of all the board's customers or  
27 of the board's customers from any one or more rate classes. The board,  
28 within 21 days after receipt of the request, shall provide the requested  
29 names, addresses and rate classifications to the customer and may require  
30 the customer to pay the reasonable costs thereof.

31 (d) Nothing in this section shall be construed to authorize the state  
32 corporation commission to regulate payments by a board of public utilities  
33 to the municipality that established the board.

34 (e) The commission shall assess its expenses of any investigation or  
35 proceeding pursuant to this section against the board of public utilities.

36 Sec. 2. K.S.A. 13-1228a is hereby amended to read as follows: 13-

1 1228a. Prior to the effective date of an increase in any rate fixed pursuant  
2 to the authority of K.S.A. 13-1227 or 13-1228, *and amendments thereto*,  
3 the board of public utilities shall hold a public hearing for the purpose of  
4 presenting to the public the findings of the board supporting the  
5 reasonableness of the proposed rate increase. The findings shall include all  
6 pertinent financial data, supporting documents and analysis relating to the  
7 rate increase. Any affected utility customer may appear at the public  
8 hearing and present testimony of witnesses under oath, conduct cross-  
9 examination of employees and representatives of the board, present oral  
10 argument and file written briefs in support of such customer's position.  
11 Notice of the time and place of the public hearing ~~and~~, the amount of the  
12 proposed rate increase *and a statement concerning the right to petition the*  
13 *commission as set forth in section 1, and amendments thereto*, shall be  
14 given by publication in a newspaper of general circulation in the city  
15 which owns the public utility at least 90 days prior to the public hearing.  
16 Not less than 90 days prior to the public hearing, the board shall make  
17 available for review by any affected customer during regular business  
18 hours the financial data, supporting documents and analysis in possession  
19 of the board ~~which~~ *that* substantiates the findings supporting the proposed  
20 rate increase. The public hearing shall be conducted pursuant to  
21 procedures adopted by the board not inconsistent with the provisions of  
22 this section. A transcript shall be made of the public hearing and copies of  
23 the transcript shall be made available to the public upon payment of the  
24 cost thereof. The public hearing may be continued by the board from time  
25 to time and within five days after its completion, the board shall fix such  
26 rates as it deems justified pursuant to its findings and the evidence  
27 presented at the public hearing.

28 Sec. 3. K.S.A. 66-104 is hereby amended to read as follows: 66-104.  
29 (a) The term "public utility," as used in this act, shall be construed to mean  
30 every corporation, company, individual, *or* association of persons, ~~their~~ *or*  
31 *the* trustees, lessees or receivers *thereof*, that now or hereafter may own,  
32 control, operate or manage, except for private use, any equipment, plant or  
33 generating machinery, or any part thereof, for the transmission of  
34 telephone messages or for the transmission of telegraph messages in or  
35 through any part of the state, or the conveyance of oil and gas through  
36 pipelines in or through any part of the state, except pipelines less than 15  
37 miles in length and not operated in connection with or for the general  
38 commercial supply of gas or oil, and all companies for the production,  
39 transmission, delivery or furnishing of heat, light, water or power. No  
40 cooperative, cooperative society, nonprofit or mutual corporation or  
41 association ~~which~~ *that* is engaged solely in furnishing telephone service to  
42 subscribers from one telephone line without owning or operating its own  
43 separate central office facilities, shall be subject to the jurisdiction and

1 control of the commission as provided herein, except that it shall not  
2 construct or extend its facilities across or beyond the territorial boundaries  
3 of any telephone company or cooperative without first obtaining approval  
4 of the commission. As used herein, the term "transmission of telephone  
5 messages" shall include the transmission by wire or other means of any  
6 voice, data, signals or facsimile communications, including all such  
7 communications now in existence or as may be developed in the future.

8 (b) The term "public utility" shall also include that portion of every  
9 municipally owned or operated electric or gas utility located in an area  
10 outside of and more than three miles from the corporate limits of such  
11 municipality, but regulation of the rates, charges and terms and conditions  
12 of service of such utility ~~within~~ *in* such *outside* area shall be subject to  
13 commission regulation only as provided in K.S.A. 66-104f, and  
14 amendments thereto. Nothing in this act shall apply to a municipally  
15 owned or operated utility, or portion thereof, located within the corporate  
16 limits of such municipality or located outside of such corporate limits but  
17 within three miles thereof, except as provided in ~~K.S.A. 66-131a~~ *section 1*,  
18 and amendments thereto.

19 (c) ~~(1) Except as herein provided,~~ The power and authority to control  
20 and regulate all public utilities and common carriers situated and operated  
21 wholly or principally within any city or principally operated for the benefit  
22 of such city or its people; shall be vested exclusively in such city; subject  
23 only to the: *(A) Right to apply for relief to the corporation commission as*  
24 *provided in K.S.A. 66-133, and amendments thereto;* *(B) provisions of*  
25 *section 1, and amendments thereto;* and ~~to the~~ *(3) provisions of K.S.A. 66-*  
26 *104e, and amendments thereto.*

27 (2) A transit system principally engaged in rendering local  
28 transportation service in and between contiguous cities in this and another  
29 state by means of street railway, trolley bus and motor bus lines, or any  
30 combination thereof, shall be deemed to be a public utility as that term is  
31 used in this act and, as such, shall be subject to the jurisdiction of the  
32 commission.

33 (d) The term "public utility" shall not include any activity of an  
34 otherwise jurisdictional corporation, company, individual; *or* association  
35 of persons, ~~their~~ *or the* trustees, lessees or receivers *thereof* as to the  
36 marketing or sale of compressed natural gas for end use as motor vehicle  
37 fuel.

38 (e) At the option of an otherwise jurisdictional entity, the term "public  
39 utility" shall not include any activity or facility of such entity as to the  
40 generation, marketing and sale of electricity generated by an electric  
41 generation facility or addition to an electric generation facility ~~which~~ *that*:

42 (1) Is newly constructed and placed in service on or after January 1,  
43 2001; and

1 (2) is not in the rate base of: (A) An electric public utility that is  
2 subject to rate regulation by the state corporation commission; (B) any  
3 cooperative, as defined by K.S.A. 17-4603, and amendments thereto, or  
4 any nonstock member-owned cooperative corporation incorporated in this  
5 state; or (C) a municipally owned or operated electric utility.

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

10 (g) For purposes of the authority to appropriate property through  
11 eminent domain, the term "public utility" shall not include any activity for  
12 the siting or placement of wind powered electrical generators or turbines,  
13 including the towers.

14 Sec. 4. K.S.A. 66-1,174 is hereby amended to read as follows: 66-  
15 1,174. (a) Except as provided by K.S.A. 66-104f, and amendments thereto,  
16 a municipally owned or operated retail electric supplier shall be subject to  
17 commission jurisdiction as a public utility, as defined in K.S.A. 66-104,  
18 and amendments thereto, with respect to all operations within its certified  
19 territory extending more than three miles beyond its corporate limits.

20 (b) A municipal retail electric supplier shall be subject to regulation  
21 by the commission in matters relating to the right to serve in the territory  
22 within three miles of the corporate city boundary, except that the  
23 commission shall have no jurisdiction concerning such retail electric  
24 supplier within its corporate limits, *unless such supplier is a board of*  
25 *public utilities that is petitioned under the provisions of section 1, and*  
26 *amendments thereto.*

27 Sec. 5. K.S.A. 13-1228a, 66-104 and 66-1,174 are hereby repealed.

28 Sec. 6. This act shall take effect and be in force from and after its  
29 publication in the statute book.